JPRS-UEA-87-021
31 JULY 1987

FOREIGN BROADCAST INFORMATION SERVICE

JPRS Report

Soviet Union

Economic Affairs

JPRS-UEA-87-021

31 JULY 1987

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SOVIET UNION
ECONOMIC AFFAIRS

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UPDATING OF STATE ACCEPTANCE STANDARDS ADVOCATED

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 5, May 87 pp 27-32

[Article by Ye. Sapilov, candidate of economic sciences, sector chief, Economics Institute of the USSR Academy of Sciences: "Has Everything Been Decided on in Certification of Industrial Production? (Economic Management Aspect)"; first paragraph is source introduction]

[Text] State acceptance guarantees exact correspondence of manufactured products to the requirements of standards and normative technical documentation. But these requirements themselves are frequently in need of being made more precise. In evaluation of production, in addition to technical parameters, it is necessary to take into account the capability of products to satisfy requirements. The intersectoral character of certification should be strengthened. It should be applied to planned development, and the selection of models for placement into production should be made more strict.

Basic improvement of product quality was determined at the 27th CPSU Congress to be a most important condition of bolstering the effectiveness of our economy. In the 12th Five-Year Plan, it is contemplated to increase the share of products corresponding to world standards to 80-95 percent of the basic product list and practically to 100 percent for newly developed products.

The decree of the CPSU Central Committee and the USSR Council of Ministers of 12 May 1986 "On Measures for Radically Improving Production Quality" provides for economic management measures aimed at improving the proceses of creation, selection and output of products on the level of the world's best achievements. For this purpose, state acceptance is being introduced at associations and enterprises for the most important types of products and consumer goods as well as basic components and materials for them. Developing organizations are forbidden to turn over new products to production that do not correspond to the world's highest achievements.

State acceptance, as the experience of its implementation at 42 enterprises in the preceding years has shown, provides a reliable guarantee of production output in precise correspondence to the requirements of standards, technical conditions, approved specimens (standards), planning and design documentation and conditions of delivery and contracts. It actively contributes to the

disclosure and use of organizational and technical internal reserves for raising the quality of manufactured products, improving technological discipline, organizing control operations and working up design documentation and technological regulations.

With the introduction of state acceptance, the system of product quality control acquired that final element, that executive apparatus which is called upon to provide on the basis of state control of production the planned quality of products in the process of manufacture and not to permit it be lowered for any reasons.

Under these conditions, production output on the level of the best foreign comparable products becomes primarily dependent on the selection of specimens with which products are compared in determination of their quality.

Numerous cases of setting too high evaluations of product quality level repeatedly noted in the press and conferring of the Seal of Quality on items which are unworthy of it and accordingly do not satisfy the consumer attest to the fact that the existing procedure of product certification and the position of corresponding documents are in need of further improvement.

Defects in appraisal of quality are due to several reasons. One of the chief ones is one-sided engineering interpretation of the actual concept of production "quality" as the aggregate of its properties (GOST 15.4467-79). One cannot agree with this definition. The quality of a product and its specific character are disclosed through the aggregate of its properties and are manifested through them in relation to other realities (objects, needs), but they are the aggregate of its properties.

Quality characterizes not only technical superiority and soundness in manufacture of a product but also its capability to fully satisfy a concrete need through socially permissible outlays. The solution of the problem of quality presupposes the attainment and maintenance of a dynamic balance between the properties of a product and the level of economic need for it. Such a balance is possible given the condition of selection of specimens for planning and placement in production solely on the basis of the criterion of its correspondence to need within the framework of selected resources for its satisfaction.

It is this economic side of qualitative specificity of a product in its evaluation and certification on the basis of existing provisions and normative documents that is not taken into account. A commodity specialist's determination of a product of the highest category of quality(footnote 1) and methods of certification corresponding to it are the reason for the fact that the basis of classification of products by categories of quality constitute a quantitative comparison of its individual indicators with indicators of the best comparable product. But the results of such a comparison provide a description of only the technical and economic level of the evaluated product but not its quality level, that is, the quantitative expression of the properties of need corresponding to it. For this reason these results cannot serve as a basis for grading a product according to categories (levels) of quality. The mixing of diverse concepts of the "technico-economic level" and

"level of quality" is just as wrong as their union into the single concept "level of product quality" (as is done in Gosstandart's normative documents). This error is not eliminated in the introduction of the new certification procedure.

The identification in our view of the concepts "product corresponding on the basis of technical and economic indicators to the world's best achievements" and "product of the highest category of quality" would be wrong. The high world-level technical and economic indicators are necessary but are not a sufficient condition for declaring it the highest category of quality. It can be considered such only in the case where it satisfies a need, if it so can be expressed, on the basis of the highest world standard. But this requires not only the correspondence of the indicators of a world-level product but also the conditions of its use as a means of satisfying a need.

For example, Soviet industry produces the electronic mechanical wrist watches Luch, Yantar, Slava and Raketa which in terms of their parameters are on the level of the best world models certified for the best category of quality. However, the need of the owners of these watches for faultless measurement of time is not satisfied not because of their poor operation but because of the difficulties of battery replacement in remote areas. Where tnere are no batteries, watches stop being watches and their quality "vanishes."

Or, for example, the Volga Motor-Vehicle Plant imeni 50-Letiye SSSR produces motor vehicles that are well known in our country and in a number of other countries. Five models of the brand Zhiguli (2103, 2102, 2105, 2107 and 2121) were awarded the Seal of Quality. The owners of the motor vehicles have no complaints in regard to their technical characteristics, but they are dissatisfied with service, repairs and the supply of spare parts, that is, with those thing which ensure a truly high level of satisfaction of personal transport needs.

The question arises: is it proper to include a product under the highest category of quality where even in the case of high technical parameters it does not fully satisfy a need? We think that there is no single answer to this.

Evaluation of the quality of a product should include, on the one hand, its engineering, scientific and technical characteristics by comparing its indicators with the best comparable products for establishing a technical level for the product and, on the other, its economic characteristics expressing the degree of satisfaction of a need, that is, level of quality.

A product should be included under the highest category of quality when it not only on the basis of its technical level but also on the basis of the level of satisfaction of a need and effectiveness exceeds the best domestic and foreign achievements or corresponds to them, and servicing, repair and competitiveness are provided in a foreign market. The consideration of these special features would make it possible to carry out a comprehensive evaluation of the product and bolster the reliability of certification results.

The "Procedure of Certification of Industrial Products for Two Categories of Quality," introduced in 1984, eliminated a number of significant defects in the existing regulations and increased strictness of demands on certified products. But the departmental character of the organizational basis of certification remained unchanged. Manufacturing ministries retained the right to determine methods of evaluation and comparable products for comparison of the product list and quantitative values of the technical and economic indicators on whose basis products are declared to be either of the highest or the first category of quality. Actually, the obligations of state certification commissions have not changed. They boil down to verification of correspondence: of normative technical documents for the product being certified to the requirements of standards; the product being certified to the requirements of the normative-technical documents on whose basis it is put out and the requirements established for the categories of quality under standard and technical conditions. The functions of certification commissions are thus limited to control of drawing up the certification documents. At the same time, the consumer is deprived of the right to make his requirements known with respect to the product certified as the highest or first category of quality on the basis of the requirement for the fullest possible satisfaction of the requirements and needs existing in his case within the limits of funds allotted for this. The participation of a representative of the ministry and the chief use of the product in the work of the commissions, even with the right of imposition of a "veto" in adoption of a decision, do not change the point of the matter inasmuch as the certification of a product is done only on the basis of indicators of the technical level which are selected by the manufacturer without consideration of indicators of need.

Such a procedure reduces, if it does not altogether exclude, the responsibility both of the commissions as a whole and of each of its members for the results of certification. Actually, if a comparable product for comparison and the requirements with respect to a product of the highest (or first) category of quality, without the participation of the commission, are previously set by the manufacturing ministry, the result of certification is already predetermined. Only its legalization by the commission remains. Which is what it does.

In conformity with the decree of the CPSU Central Committee and the USSR Council of Ministers of 12 May 1986, the chairman of the state certification commission has the personal responsibility for an objective evaluation of a certified product. In our opinion, it is necessary on this basis to determine more clearly who of the commission's members answer for what and to whom and what concretely are the obligations of the representatives of the main consumer as well as of the State Committee for Science and Technology, Gosstandart, the Ministry of Foreign Trade, the Ministry of Trade and ministries of personal services of union republics and the AUCCTU. At the same time, it is important to take into consideration that strengthening of the intersectoral character of certification as the chief condition of increasing its objectivity presupposes first of all an enhancement of the role of the consumer in evaluation of a product and his direct participation in the validation and establishment of a basis for comparison with a comparable

product and determination of the degree of satisfaction of the need for the properties of the product.

The creation of certification commissions from representatives of customer sectors (users of the products) and the above-enumerated ministries and departments only formally gives them an intersectoral status. For them to be intersectoral and truly state commissions, it would be necessary to reject the certification scheme on the basis of indicators and comparable models determined by the manufacture and go over to autonomous evaluations of the technical level, quality and economic effectiveness of products directly by actual members of certification commissions in accordance with their competence and rights granted to the ministries and delegated to them. In such a case, each of them will be personally responsible for the reliability of an evaluation both before the head of the manufacturing ministry, approved by the certification commission, and before the head of the ministry (department) sending him to this commission and granting him the right to render a conclusion on the correspondence or lack of correspondence of a product to the requirements of the highest or first category of quality. The work of a certification commission will consist of a generalization of the results of the evaluations of a product made by members of the commission on the basis of appropriate indicators of its properties and presentation of its conclusions to the head of the manufacturing ministry for approval.

One of the reasons for the ineffective work of certification commissions at the present time is the circumstance that participation in them is for specialists of the sectors with an added unrewarded load. At the same time, raising the question of remuneration of their labor can be legitimate only in the case where their obligations and responsibility as members of commissions are clearly defined. If members of a certification commission are to perform functions of experts and in the name of the ministries delegating them to prepare conclusions on the correspondence of this or that group of indicators of products to the requirements of the highest or first category of quality and, naturally, to bear the responsibility for the reliability of the results of the evaluations, it would be be practicable to pay them for this work. For the performance of such functions, not only are the high qualifications of specialists necessary but sometimes also significant expenditures of time on collection, processing and generalization of scientific-technical and economic information. Remuneration of the labor of certification commissions and guaranteeing to them of official time for the performance of these functions will increase their responsibility for the results of certification inasmuch as a carelessly prepared conclusion could may result in loss of prestige and exclusion from the commission's membership.

For the preparation of conclusions by representatives of ministries who are members of certification commissions, the right should be granted to involve specialists from scientific institutions in performance of this work.

A significant defect of the organizational basis of certification is the large size of certification commissions created as a rule "for each type of product" for the period of its certification. This not only makes control of their activity difficult but sometimes even results in unjustified expenditure of the worktime of leading specialists of enterprises, scientific organizations

and ministries, including on the preparation and staffing of the actual certification commissions. In addition, the position of temporary collectives reduces the responsibility of the commission members for the reliability of evaluations of products and the results of their certification. It would be useful to carry out certification of products both for the highest and for the first category of quality with state commissions with a permanent staff approved, for example, for a 5-year period. Such commissions ought to be specialized according to types of products.

The approval of certification commissions on representation of a user ministry of a product and of the manufacturing ministry should be assigned to Gosstandart with the issue of a certificate giving it the right to provide certification of strictly determined groups of industrial products at head scientific-research organizations, testing centers or at leading enterprises of a user sector. In forming commissions, it is important to ensure equal participation in them of both developers and manufacturers of the products as well as their users and foreign-trade organizations and to observe collegiality in the adoption of a final decision on the category of quality based on the results of expert examination.

The question may arise: would not the consumer with the growth of his influence in the commission make excessive, economically unjustifiable demands on a product being certified? Stepping up of demands on products aspiring to the highest or first category of quality should be considered on the whole by the consumer as a positive tendency. But the misgivings that these demands would be excessively high do not exist in our view. The fact is that their realization will make it necessry to increase production costs and, accordingly, prices, and tnis will contradict the cost-acounting interests of the consumer and reduce the economic effect from use of the product.

As for the manufacturing enterprise, the desire to get a maximum wholesale price increase for products of the highes category of quality will motivate it to attain such technical and economic parameters as would provide the biggest national-economic effect for these products. The mutual interest of both the manufacturer and the user in securing the biggest possible economic effect would contribute to the selection of the best variants of products.

Product certification as an expression of evaluation of their quality naturally is in need of wide-scale publicity. But at the present time, the work of certification commissions goes on, as it were, behind closed doors: as a rule, the consumer as a rule is not informed concerning preparation of products for certification, on the work of commissions and on conferment of the Seal of Quality for a product.

In certification, no account is taken of judgments of labor collectives servicing or operating production equipment nor of the opinions of users on the merits or defects of household equipment, yet this to a large extent would contribute to bolstering the reliability of evaluations and objectivity of decisions of including a product under this or that category of quality. It is true that certain steps have been taken toward expansion of publicity. It was established in particular that a certain group of products (on the basis of a listing of the USSR State Committee for Science and Technology) earmarked

for certification of the highest category of quality must be shown at the USSR Exhibition of National Economic Achievements. For such products, the conclusion of Glavvystavkom [Main Exhibition Committee] is obligatory. But such a measure is inadequate.

It seemingly would be useful to introduce a procedure of preliminary publications (quarterly), for example, in EKONOMICHESKAYA GAZETA or in appendices to it, the journal STANDARTY I KACHESTVO or special bulletins on the forthcoming certification of this or that product for the State Seal of Quality and later concerning its results. It would be useful to get an obligatory opinion on the quality of a product of opponent organizations studying, for example, demand for products, competitiveness, patent clearness, prices and the like, and enterprises for the repair and servicing of complex production and household equipment.

Widespread publicity of certification and its results are not only a condition of its objectivity; also inculcate pride in the honor of the plant brand and at the same time increasd responsibility of the labor collective for the quality of its work and for the actual act of promoting a product for the Seal of Quality. In our view, the initiative to certify products for the Seal of Quality should emanate from the labor collective itself and the appropriate points should be included in their socialist commitments. The effective economic stimuli for improvement of product quality introduced in recent years make it possible to create the necessary conditions for the manifestation of such collective initiative.

One of the reasons for the slow development and increased production of new equipment is lack of confidence among manufacturers and consumers in its high quality and economic effectiveness. Frequently, planned indicators of products are not attained not only in series production but also at the stage of experimental models. In avoidance of production and economic risk connected with the production or use of new products, manufacturers and consumers prefer to put out and use already utilized products.

Under the existing methods of assessing the work of scientific-research and planning-design organizations and the system of adding to incentive funds for the creation of new equipment, the size of which depends on its estimated economic effect, developers frequently try to to raise too high indicators of new equipment. Faced with the fact of completed development and significant money frequently spent for these purposes, planning organs make provision for the production of new products without an objective evaluation of their effectiveness and quality.

At the present time, the indicator of least adduced expenditures per product (work) unit for whose production this equipment is intended is employed as a criterion for the best variant of new equipment adopted for development and production. In our view this economic criterion must be supplemented without fail by indicators of correspondence of the scientific and technical level of employed design and technological solutions to world achievements. Specifically, these indicators make it possible to determine at least approximately the time of obsolescence of this equipment and consequently the periods of its effective use and over-all economic effect.

A serious problem is that planned quality is frequently not attained in mass production because of organizational, technical and technological lack of preparedness of production.

For a cardinal solution of the problem of selection of best product models, truly corresponding to the world standard, it would be useful to disseminate state certification of industrial products for planning and design development, including the stage of creation of experimental models and their acceptance. This would make it possible to carry out systematically stage by stage a preliminary (at the stage of technical assignment), intermediate (at the stage of experimental model) and final (at the stage of series production) comprehensive evaluation of the technical level, quality and effectiveness of products. Certification in this case would be transformed from a passive act of registration of the technical and economic level of already produced products to an active instrument for the selection of the best new equipment. Subordination of certification of Gosstandart in combination with state acceptance would make it possible to solve the question of comprehensive control of product quality and the system of quality control would have a finished form which the present practice badly needs.

FOOTNOTE

1. "Products must be included in the highest category of quality which on the basis of technical and economic indicators are on the level of the world's best achievements or exceed them." See: "Procedure of Certification of Industrial Products for Two Categories of Quality"(paragraph 1.8)//EKONOMICHESKAYA GAZETA, No 13, 1984.

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FEEDBACK ON INDUSTRIAL VS REGIONAL PRIORITIES ARTICLE

'Regionalization' Advocated

Moscow EKONOMICHESKAYA GAZETA in Russian No 10, Mar 87 p 16

[Article by V. Mishchenko, chairman of the Altay Kray Executive Committee, Barnaul: "Overstepping the City Boundary." See also JPRS UNE 87-030, 7 Apr 87 p 31]

[Text] Without negating the importance of the questions touched upon in the article entitled "Territorial Standpoint for Acceleration (EKONOMICHESKAYA GAZETA Issue No 52 for 1986), I would like to expand the framework for the discussion. It is believed that the author failed to select the particular object which is in need of a change of approach. He discussed cities. But indeed the potential of cities varies. There are cities which have adequate capital investments (especially when they are created in connection with the construction of large enterprises). There are small ones in which there is no large industry and their developmental problems remain unresolved for dozens of years.

Thus I believe that it is necessary to discuss not an individual city but rather a completed territorial system -- an oblast. kray or autonomous republic.

Other arguments could also be advanced which would favor the thought that the question concerns not only the development of a city but rather a wider view -- a process which is presently taking place throughout the country and which is referred to as "regionalization" -- a process of transferring a number of functions of higher organizations over to lower ones.

How is this being manifested?

The practical implementation of the decree of the CPSU Central Committee, the Presidium of the USSR Supreme Soviet and the USSR Council of Ministers entitles "Measures for Further Improving the Role and Increasing the Responsibility of the Soviets of People's Deputies for Accelerating Socio-economic development in Lights of the Decisions Handed Down During the 27th CPSU Congress. The local organs of authority have been extended truly broad rights in ensuring the all-round development of regions.

The role being played by local soviets in planning all branches of the national economy is being raised. The soviets are now able to establish the required proportions in production and socio-domestic construction and in planning the numbers of workers at all enterprises and they can introduce sanctions for those enterprises where little concern is being displayed for reducing the labor-itensiveness of production and poor use if being made of man-power.

An increase is also taking place in the influence being exerted by the soviets in the introduction of scientific-technical progress, especially in those instances where the discussion centers on enterprises which produce consumer goods, of local industry or of republic subordination. The local organs of authority have been entrusted with responsibility for developing the agro-industrial complex, kolkhozes and sovkhozes.

In the heat of polemics, there are some who are even advancing a recommendation for the creation of certain special organs of adminsistration, a type of "small" sovnarkhozes [Councils of National Economy]. It is our opinion that there is no need here for forming a new mechanism for the accelerated development of a region -- it is not only the right but in fact a direct responsibility of the organs of local authority, commencing with the kray executive committee and ending with the village and settlement soviets. But a requirement exists for an indispensable improvement in their work and the work structure.

It is even difficult at the present time to recall how many different searches were undertaken, searches which are now being continued, for the purpose of improving the branch principle of administration. Moreover, a number of measures were associated with cardinal changes. Let us take today for example, when we are confronted with the question of raising the responsibility and expanding the independence of enterprises and converting them over to self-financing and complete cost accounting.

And there is the territorial level of administration, after which the sovnarkhozes were eliminated and for all practical purposes no changes took place. If we discuss structure, especially the executive apparatus of the soviets, then it has already been in existence in a set form for more than one dozen years. True, some steps were taken aimed at changing it. A large-scale action in this regard was the expansion undertaken in 1984 in the rights and responsibilities of the planning committees of kray and oblast executive committees, with the assignment to them of additional staffs.

But even in this instance, as correctly noted by the author of the article "Territorial Standpoint for Acceleration," owing to weak information interaction with the financial and statistical organs, the planning organs are unable to furnish a thorough analysis of the socio-economic development of a territory.

It must be confessed that very little has yet been done aimed at ensuring that the structure of the soviets conforms to the increasing requirements for them. In order for them to be able to meet these requirements, there is no need for increasing the staff apparatus for administration -- it is sufficiently

cumbersome -- solutions should be found for its correct structural arrangement and for improving the quality of the work.

One more measure for such an effective approach was made known to us through the above-mentioned decree, which makes it possible (Point 24 "b") to have special subunits in the structure for kray, oblast and municipal executive committees which would concern themselves with problems having to do with all-round socio-ecnomic development. Moreover, this can be done, as indicated in the decree, on the basis of staff units transferred over by enterprises.

Such a department has already been organized in the kray executive committee and we are presently creating similar ones in large cities in the Altay Kray. It is assumed that these new subunits must examine and solve completely the problems associated primarily with the establishment of business-like relationships and with attracting the resources of enterprises of union and republic ministries for the development of territories.

It bears mentioning that there were many doubts during the period that we were introducing these recommendations: would not the functions of the new department and the planning committee be in conflict and would they no duplicated one another? The structure that we were aiming for removes such questions.

Just as in the past, the kray plan will be concerned mainly with work carried out with all branches of republic subordination and with RSFSR Gosplan. The new organ, when examining the development of the kray on the whole, must focus its attention on those matters concerned with a concentration and use of the resources of union ministries, the enterprises of which are located on our territory.

Here is such an example.

Recently, the problems concerned with the development of power engineering and particularly heat supply became more aggravated throughout the kray and this is obviously restraining their development. We have estimated that we need approximately 700 million rubles if we are to strengthen power engineering over the next 15 years. But it turns out that the union ministries are not very interested in searching for the means or even in achieving a solution for the problem. For example, let us take Rubtsovsk.

Here the chief city-forming enterprises are a tractor construction association and Altayselmash. The requirements of the tractor builders are being met by their own TETs [heat and electric power plant] and another part of the city -- by a boiler operation which is operated by selmash [agricultural machine trust]. And to put it mildly, the situation is on the whole quite gloomy. A municipal TETs is needed. But these two large enterprises are not interested in one. USSR Minenergo [Ministry of Power and Electrification] remained idle off to the side: here there are no large organizations.

In order to set the wheels in motion, the kray executive committee together with the Rubtsovsk Municipal Executive Committee had to persuade Minselkhozmash [Ministry of Tractor and Agricultural Machine Building] to

create a heating supply system for the city. A compromise was subsequently achieved: the ministry would do its part -- 100 million rubles (of the required 220 million). It was only after tnis that the question so to speak was placed on a working basis; the possibility appeared of a TETs being constructed during the current five-year plan. At the present time, USSR Minenergo is joining in this plan.

A similar situation exists in connection with the construction of large mainline heating networks and water and sewage lines for purification installations. Indeed, earlier they were also "settlement" types and they serviced the housing development of a particular large enterprise. Life dictates that these lines of communications should be built as part of an overall complex, with the interests of the entire city being taken into account.

The new department must coordinate such work. I would refer to it as a department for contacts with union ministries. Those who work in kray executive committees are aware that very few arrangements are made with a ministry and very little is achieved in the interest of furthering a decree concerned with developing a kray, oblast or city. This question must constantly be the object of attention. Hence the executive committees must regularly monitor the passage and approval of all documents in the numerous planning, resolving and other instances. It is our opinion that this is within the capability of highly skilled specialists. We are grateful for the fact that they have supported us and that at the present time the salaries for workers attached to such departments are on a par with the wages for workers assigned to organic instructor departments of kray and municipal soviets.

There is one more equally important function of the department -- the control function. It is known that an executive committee, as an administrative organ, hands down many decisions quite often on a joint basis with ministries and other organizations and departments. Up until now, there has been no controlling element in the executive committees. One or two deputy chairman reviewers are not capable of constantly monitoring the carrying out of decisions handed down. It is by no means an accident that one troublesome area in the work being carried out by local soviets is precisely that of weak control.

Workers attached to the new department, together with planning committee workers and workers assigned to the orgotdel [organizational department] are accepting responsibility in this regard. They must receive considerable support in this regard from an ASU [automatic control system]. We already have such a system in operation in the kray.

Restructuring of the work of the soviets must be reoriented more accurately towards completeness in the solving of problems.

And here problems overflow as though from a horn of plenty. Paradoxically, departmentalism is not weakening but rather it is even becoming stronger and "within" a territory itself. A clear example of this -- the creation of agro-industrial associations. Today, those discrepancies which earlier were in the branches, when the kolkhozes and sovkhozes, in union with the local

organs, fought to obtain reduced plans which could be fulfilled easier and which would produce various benefits (additional payments for the production of above-plan products, product quality and others) -- have all now been transferred over to the kray level.

The conversion over to planning only for union-republic deliveries of agricultural products for krays and oblasts, in order that the remaining portion could be used for self-support for the population, has engendered a conflict within the territory itself and among the local soviets. For example, between the agroprom [agro-industrial committee] which is responsible for the production of agricultural products and the administrations responsible for supplying food goods for the residents of a region.

The agroprom, taking into account the need for converting a farm over to a self-supporting basis, is interested in having a less tense plan and in using all resources to prove the unreality of even those tasks which the farms coped with successfully. The explanation is as follows: in the case of reduced plans, the needed profitability and, it follows, self-support for the farms are ensured.

At the same time, the trade and public catering administrations and the municipal and rayon executive committees on the other hand advocate more tense tasks for the agroprom -- for guaranteed support in the form of products for their own population.

Under the existing situation, a requirement exists for developing a state approach and for extensive reflection, such that on the one hand optimum conditions will be created for agricultural development and on the other -- no deterioration will take place in supply operations for the population.

We also require an all-round solution for solving problems from the kray domestic services administrations, the fuel industry and trade, that is, from practically all subunits responsible for developing the social infrastructure. But they are still operating in an extremely timid manner from their narrow departmental base. Unfortunately, this is typical of certain central organs. This confirms the above example.

The municipal economy administration is limited in its production contacts by the level for rayon centers. Meanwhile, boiler rooms, water lines and purification installations at kolkhozes and sovkhozes are maintained by the farms themselves. But quite often they are incapable of coping with these concerns.

Such is the picture for domestic service workers, who do not operate lower than a rayon. For example, they are not worried over who exactly will build production facilities in a village. Here one may recall those road workers who build and repair only highways of republic, kray or inter-rayon subordination, with responsibility for the maintenance of intra-farm and even intra-rayon roads resting with the farms.

Thus we consider it to be correct and proper for the kray administration for the fuel industry to bear responsibility for supplying residents with coal and

firewood. And this work is of considerable importance. For example, our local heating system services almost 600,000 yards and apartments, representing more than one half of the kray's population. The creation of a single supply system for fuel will make it possible to solve these problems at a higher level.

Thus an expansion of rights and a basic change in the approach for problems concerned with the socio-economic development of a region are opening up greater opportunities for improving the work of local soviets.

There is still one other extremely important question -- share participation by individual enterprises in the erection of installations needed by all enterprises.

Yes, the union ministries are investing considerable resources in developing the municipal economy and the entire social infrastructure, especially during the period in which an enterprise is under construction. But indeed the cities must subsequently live and function with factories and plants which were built earlier. The population grows and along with it the requirements for housing, for developing the municipal economy and for improving the sphere of services. All of this requires constant share participation by the ministries. And this share participation in the development of a city, kray or oblast should on the whole be legalized.

It is believed that simultaneously with converting enterprises over to a self-supporting and self-financing basis, normative documents for determining the relationships with local authority in the matter of participation in the all-round development of an entire territory should be adopted.

Territorial Inter-Branch Associations

Moscow EKONOMICHESKAYA GAZETA in Russian No 12, Mar 87 p 4

[Article by B. Vrulebskiy, associate professor at Gomel State University and Candidate of Technical Sciences: "Within the Framework of Intelligent Concentration."]

[Text] In the article entitled "Territorial Standpoint for Acceleration," (EKONOMICHESKAYA GAZETA Issue No 51 for 1986), the problems associated with finding the best combination for branch and territorial planning and administration are discussed.

These questions were stressed in particular in the speeches delivered by delegates to the 27th CPSU Congress.

In a decree adopted in July 1986 by the CPSU Central Committee and the Presidium of the USSR Supreme Soviet and the USSR Council of Ministers, a number of measures were outlined for further raising the role and increasing the responsibilities of the soviets of worker's deputies for accelerating socio-economic development. Experience is available in this regard. Nevertheless, the problem is not being resolved in the manner required by the strategy for acceleration.

The question automatically springs to mind. Why?

It is believed that the principal restraining factor here is the sluggish nature of the thinking that has prevailed for years by those who should be displaying initiative and making appropriate decisions.

Engaged as we have been over the past three and a half years in studying the opportunities for delivering ferrous metals in finished form for consumption, we are convinced regarding the savings that can be realized in the use of this raw material by drawing into national economic use certain so-called production waste products. Equipment being used at the present time for several hours daily, or for a week or a month for the procurement production of metals for small consumers could be released from operations. But who would concern themselves with this work?

Would it be the planning committees of municipal and rayon soviets? But they are so small in number (5 individuals, for example, in Gomel and two individuals in each municipal rayon) that they could hardly succeed in bringing together the plans for the economic and social development of enterprises and organizations or in carrying out daily and current work. They simply would not have the time to study thoroughly the work of each enterprise regardless of its departmental affiliation.

Are they permanent planning-budgetary and branch committees? But they convene periodically for the purpose of discussing vital problems and they cannot exert a daily influence over an enterprise for the purpose of uncovering inter-branch reserves and potential for improving the use of material and labor resources and production capabilities. Each deputy -- a member of a particular committee -- carries out his direct responsibilities.

Meanwhile it is difficult and at times simply impossible for one enterprise or association, regardless of how large it might be, to introduce a waste-free technology, to utilize more completely both its principal and auxiliary materials or to raise the shift coefficient for unique equipment (for example, units for gas-plasma cutting or lines for the cutting of plate steel).

We easily succeeded in uncovering hundreds of tons of waste metal, which in terms of its marks and even dimensions could serve as a valuable raw material for enterprises of other ministries located in the same or in various cities throughout the republic. Alas, the recommendations in this regard were ignored.

Here is still another example.

Today it is difficult to point out in any city an enterprise or organization which does not have a requirement for wood or for products made from wood. In the Belorussian SSR there are large specialized woodworking associations of Minlesprom [Ministry of the Timber and Wood Processing Industry] for the BSSR, which are persistently searching for methods for raising the coefficient of use for wood, while gradually drawing closer to a waste-free technology. And alongside these facilities there are many small consumers of wood representing

various ministries and departments, where hundreds of cubic meters of waste products have formed. And for cities on the whole, there are thousands of cubic meters for which no use has yet been found. And the decade continues in this manner.

The coefficient of use of a sawmill capability at a construction parts plant is 0.75. Here the reserve for lumber production exceeds 11,000 cubic meters. And alongside this plant there is a housing construction combine which has installed a low-power log frame, which annually produces not more than 5,000-6,000 cubic meters of lumber. Other construction organizations also have primitive saw frames.

In short, the production of lumber, reinforced concrete and other construction parts requires intelligent concentration. There are countless incidents of cross-hauls. From the Gomel Construction Parts Plant lumber is shipped to Vitebsk (to Belselstroy organizations) and from the Vitebsk Vitebskdrev PO [production association] -- to Gomel (to construction organizations of the republic's Minstroy [Ministry of Construction]). Similar examples can be found everywhere. And if there was an interested territorial administrative organ in each city, it would restore order in this work. It is very unfortunate that the experience of the cities of Poti and Tbilisi in organizing territorial inter-branch associations is still being disseminated only weakly.

In studying the work of TMO's [territorial inter-branch associations] of the Tbilisi Municipal Executive Committee and the Zavodzkiy Rayon Executive Committee in Tbilisi, we became convinced that this is still the best form for combining branch and territorial planning and economic administration for a city or rayon. But we were considerably surprised by the fact that here, particularly at the TMO in Zavodskiy Rayon, almost nobody is coming to acquire experience. It is obvious that the creation of a TMO must be not only recommended but also obligatory in nature. Indeed, the fact that Zavodskiy Rayon in Tbilisi, since the organization of the inter-branch association, has been ensuring annual rates of growth of not lower than 11 percent, is largely due to the services rendered by the TMO apparatus, which has been accomplishing a great deal in searching for and placing in operations inter-branch reserves for improving the use of material resources.

The problems concerned with material and moral incentives have not been overlooked here. Moreover, the amount of the bonus for workers attached to a territorial inter-branch association is fully dependent upon the true economic effect realized from implementation of the measures planned. With the creation of a centralized TMO fund, bonuses are also being issued to enterprise workers for placing production reserves in operation and for the results obtained. And this is quite correct in our opinion, since in the absence of material and moral interest it is difficult to make headway in handling what appears to be an easy problem.

It seems to us that in cities where there are five or less rayons and populations of 500,000-800,000, it is possible to create territorial inter-branch associations attached to municipal soviets of worker's deputies, with a

staff consisting of 40-60 individuals drawn from the municipal planning committee, transport department and also enterprises.

An analysis which we carried out jointly with the planning committee of the Gomel gorispolkom [municipal executive committee] revealed that the TMO for our city (it has four rayons and its population is in excess of 500,000) consists of 56 individuals and is adequate. It is our opinion that TMO's must be created attached not only to gorispolkom's but also to rayispolkom's in cities having a larger number of rayons. Such associations can also be attached to oblispolkom's [oblast executive committees], with the size of their staffs being dependent upon the range of responsibilities carried out.

With regard to territorial organs for scientific-technical information, on the basis of which the author of the article under discussion proposed the creation of a scientific-technical association, it is our opinion that they should ideally be included in the structure for a TMO. They could accumulate data banks for various spheres of production activity and develop automatic control systems for various processes and also the means and methods for their interaction with the ASU's [automatic control systems] of other territories and with departmental systems.

We believe it would be correct to authorize TMO's to examine and approve the expenditure norms for all types of material resources. The materials and resources saved could be used for the production of above-plan products of a production nature and consumer goods.

I believe that it would be useful to develop and legalize a standard statute for a TMO, a model structure for an administrative staff and its functions and official responsibilities.

Measures for Accelerating City Development

Moscow EKONOMICHESKAYA GAZETA in Russian No 12, Mar 87 p 4

[Article by M. Bochkov, senior economist for municipal planning: "Carrying Out Decisions"]

[Text] Ivanovo--In his article entitled "Territorial Standpoint for Acceleration" (EKONOMICHESKAYA GAZETA Issue No 52 for 1986), M. Glazyrin points out that the existing relationships and attitudes towards "horizontals" on the territory of a city are being ignored and that local soviets are not coping with this fact. Generally speaking, it should never be said that they are not coping but rather that the local soviets have never directed such relationships nor can they direct them -- nobody has assigned them such responsibilities, despite the fact that last year's decree granted extensive rights to them.

In the opinion of the author, TMO's [territorial inter-branch associations] and complexes can unite enterprises of various departmental subordinations. He cited approximately a dozen such complexes -- machine building, power engineering, transport, communications, capital construction, science, scientific-technical information and others. It turns out that departments or

administrations for each of these types of complexes must be created attached to the executive committees of local soviets. How is it possible to create a complex of enterprises subordinate to various branches? Generally speaking, this is impossible.

Subsequently, the author proposed the development of a territorial system of state organs for administering scientific-technical progress, in which once again the local soviets would be quite active. It seems to us that this would result in a need for additional personnel to be assigned to the local soviets and yet they cannot coordinate scientific-technical progress in the various branches.

Deserving of attention is the recommendation aimed at strengthening the role played by territorial TsNTI's [centers for scientific-technical information and propaganda], which at the present time are generally not supplying the local soviets with any information reports or recommendations, despite the fact that they exist and work on their territories.

It is noted in the material that the experience accumulated in organizing a construction complex at Orel has not lost its importance. A question arises: why is this experience not being employed extensively in other cities if it is so attractive and why is it that a number of cities have rejected the Orel method and have returned to that which existed earlier -- from a single client to a large number of them? At the present time, with a solution being found for the problem of expanding the economic method for construction, there is obviously a stronger trend towards ensuring that each enterprise performs in the role of both contractor and client.

In order to strengthen the influence of the local soviets, the author considers it necessary to expand substantially the administrative functions of municipal planning committees, the financial department, the administration for capital construction, the labor departments and others. In carrying out their work, they must not be limited only to farms which are subordinate to local soviets.

We can only agree with this. At the present time, the departments of local soviets are solving many problems concerned with developing an entire economy and not only of local subordination. For example, in the materials of soviet sessions, when examining the plans for economic and social development, the indicators for an entire territory are included. But it is unfortunate that prior to the convening of these sessions -- in December of each year -- the enterprises and associations of union and republic subordination do not have indicators from their ministries and departments and must use pre-planning recommendations for their basis. The ministries and departments are still not carrying out the decisions handed down with regard to supplying the executive committees of soviets with copies of the plans for their subordinate enterprises. At the present time, the planning committees of executive committees of municipal and rayon soviets are preparing their plans for a territory based upon the "telephone" data of associations and enterprises, which changes quite often. In early December, the telephones of the planning committees become red hot, as the saying goes, and by January all of the data has changed.

Thus we should be discussing not an expansion of the administrative functions of the departments and administrations of local soviets, but rather the carrying out of decisions which were adopted earlier. It is obvious that the problem concerning the system to be employed for preparing and approving plans for the economic and social development of territories should be resolved on an all-union scale.

An important aspect in the development of relationships between branches, enterprises and territories (cities) is that of carrying out a transfer of capital investments, in the form of share participation, for the construction of municipal economy installations, communications facilities, schools, apartment buildings, childrens's pre-school institutes and others. It seems to us that this question has still not been studied adequately, nor is it regulated by any documents of a legislative nature.

It is our opinion that a transfer of resources in the form of share participation is an important aspect in connection with combining branch and territorial administration. At the present time, a situation has developed in which the ministries and departments are themselves displaying initiative in transferring funds over to local soviets for housing construction for their own departmental enterprises and organizations, but they are not allocating one kopeck for municipal construction, communications and so forth. And as a rule, if a city or rayon requests a ministry to transfer funds for this purpose, its request is rejected on the basis that Gosplan will not allocate capital investments to it for the municipal economy or communications. The local soviets themselves are not being allocated sufficient funds for this purpose. A vicious circle ensues.

There is also the matter of cost accounting for a city. In accordance with existing laws concerning the budgetary rights of local soviets, each one has its own budget, with income from various departments of any subordination being directed into this budget. The plans also call for the financing of all institutes and organizations subordinate to the soviets. It is our understanding that each soviet has its own budget and is cost accounting in nature and thus we can only discuss an expansion of their income sources based upon withholdings from enterprises of a higher subordination. Thus it would be incorrect and there is no need for discussing the organization of cost accounting for a city.

Still another matter is the need for checking upon the feasibility of the proposal for adding withholdings from the profits of enterprises and associations of higher subordination into local budgets. Such a check is needed in view of the fact that there have been years in which this system was employed and subsequently adjudged to be unjustified rejected.

An acceleration in the development of cities is a vital question, since the situation at the present time with regard to satisfying the population's requirements for social-cultural institutions cannot be considered normal. It is our opinion that the following measures are needed:

-- transfer all social-cultural institutions, including dwellings, over to local soviets for management. Make them sole masters of everything required for providing services for the population;

-- strengthen considerably the logistical base for the local soviets in connection with the maintenance of social-cultural institutions and dwellings;

-- for the purpose of strengthening "norizontal" relationships between a city and enterprises, to establish an appropriate system for the transfer of share participation funds for the erection of joint installations in terms of both schedules and volumes;

-- to expand the introduction of automatic control systems in municipal economies, particularly in such spheres as municipal passenger transport, housing fund, trade and so forth, with a gradual conversion being carried out over to an automatic control system for a city;

-- to generalize the practice of preparing plans for the economic and social development of territories and to adopt an appropriate document of a legislative nature dealing with this problem;

-- to examine recommendations for establishing payments by enterprises to local soviets for the use of land, labor resources and so forth.

In its decisions, the 27th CPSU Congress underscored the need for making each soviet a complete and responsible master in all respects -- in the use of funds allocated and local opportunities and resources and in coordinating and controlling the work of all organizations in the sphere of services for the population.

We are still far from carrying out the established task. USSR Gosplan must study the existing recommendations concerning this matter and develop practical recommendations.

Nizhniy Tagil Experiment

Moscow EKONOMICHESKAYA GAZETA in Russian No 13, Mar 87 p 18

[Article by N. Danilov, 1st deputy chairman of the Nizhniy Tagil Municipal Executive Committee: "Where Interests Join."]

[Text] I would like to continue the discussion started in the article entitled "Territorial Standpoint for Acceleration" (EKONOMICHESKAYA GAZETA Issue No 52 for 1986). And we attach great importance to the questions raised by the author concerning the use, for the purpose of developing a municipal economy, of the production, scientific and personnel potential of a city and the creation of TMO's [territorial inter-branch associations].

It is believed that our experience in solving these problems can be useful when selecting the most effective methods for combining branch and territorial administration.

The city of Nizhniy Tagil is a large industrial center in the central Urals region. It is a typical "departmental" city -- approximately 50 enterprises representing more than 20 industrial ministries are located on its territory. Today the rates of development for the city's industry depend to a large degree upon a complex of measures for achieving improvements in working, living and recreation conditions for the people and for supplying industrial enterprises with water, gas and transport services.

In discussing the prospects for developing the municipal economy, we drew the conclusion that a powerful aid for raising its technical level would be the use of the engineering services of enterprises. This possibility is improved by tne fact that in our city there are machine building, chemical industry and metallurgy enterprises. On the whole, more than 17,000 engineering and technical workers are engaged in industry and construction.

The use of this potential will make it possible to compensate for the fact that the city has only a limited number of specialized organizations. But this turned out to be a difficult task for us, with the chief concern being that of overcoming a thought stereotype. Many years of experience has produced a situation in which modern engineering thought is disseminated only to the fences of enterprises. It must be proven, it would seem, that a plant is connected to a city by hundreds of threads and cannot develop in a dynamic manner if the municipal economy remains idle insofar as scientific-technical progress is concerned.

In solving this problem, the executive committee of the municipal soviet, over the past 4 years, followed the path of creating working groups consisting of enterprise specialists for some of the more important engineering problems of the city.

One such group carried out a great amount of research work. As a result, success was achieved in reducing considerably the unproductive expenditure of hot water.

Another group carried out the certification of roads and recommendations were developed for their modernization.

For the purpose of developing a program for the use of production waste products in road construction, the executive committee handed down a decision defining the leading organizations. Seven municipal organizations were included in the program. Organizational and technical recommendations for the use of rock and slag for the installation of roads are already being implemented and this will lower production costs by 25 percent. Experimental sections of road have been laid down using open-hearth slag and this will make it possible to carry out such construction in the absence of cement. Work is also being carried out in connection with the casting of pavement blocks from liquid slag for the upper surface. The carrying out of a complex of these measures will make it possible to convert over completely to road construction using local materials.

Temporary Creative Collectives

I would like to pause to discuss the questions concerned with the scientific working out of the plan for the economic and social development of the city. In the capitals of republics and in large oblast centers, this is the concern of specialized scientific institutes. But what about large cities of oblast subordination, in which science is only of a plant nature and there are many problems concerned with city development as a result of departmental isolation?

For example, which scientific institute in Nizhniy Tagil, a city with a population of one half million, should be tasked with carrying out a scientific analysis of the municipal problems, if not one of them possesses the desired profile? True, perhaps you will object and reason that there are general plans and that they will determine the future. However, experience indicates that a general plan cannot foresee all of the changes in our fast fleeting times, particularly in view of the fact that it is prepared for 15-20 years.

We have proposals for solving this problem. Within the city there are several dozen computer centers and skilled engineering-technical workers as well as economic workers attached to enterprises. And why cannot use be made of the experience accumulated in the creation of temporary creative collectives? Indeed, temporary creative collectives have already proven their value and are making it possible to obtain a high return in production branches of the national economy.

Another problem, as correctly stated in writing by M. Glazyrin, is the fact that the city authorities possess only weak economic levers for exerting influence on enterprises. And, as a result, it is very difficult to attract this scientific potential and to solve the problems concerned with stimulating workers.

Modernization Problems

The branch interests in our city have literally "crushed" the territorial requirements. This has led to shortages and to overexertion of all systems concerned with the city's vitality, which in essence has slowed down its development.

In 1986, a joint decision was handed down by the municipal party committee and the municipal executive committee entitled "System for Planning Capital Investments for the Expansion, Modernization and New Construction of Industrial Enterprises, Taking Into Account the All-Round Development of Nizhniy Tagil." A municipal committee for industrial construction was formed consisting of the leaders of industrial enterprises, construction organizations and party and soviet workers. The task of this collective organ can be described as territorial comprehension of the recommendations of enterprises for modernization and development and for searching for optimum solutions.

A system has been approved for the preparation of documents concerned with the expansion and modernization of industrial enterprises, one which calls for coordination of an industrial construction project, during the stage of a technical planning task, in such matters as share participation in the development of a social-domestic infrastructure and environmental protection. Such an approach is aimed at controlling the city's development and not correcting mistakes made earlier.

In this regard, we support fully the statute of the draft law governing an enterprise, in which emphasis is placed upon the need for coordinating the title lists of industrial construction projects with the executive committees of local soviets.

The adoption of a decision concerning the creation of a committee was preceded by a sharp discussion in the soviet of directors, where more difficulties were encountered in resolving the problem concerning the status of this organ.

The committee has already examined several projects. For example, a plan for the modernization of a furniture combine. Instead of erecting a new building at a cost of 9.2 million rubles, it was recommended that modernization be carried out at a cost of only 3 million rubles. In addition, proposals were made for increasing the shift coefficient and raising the production volumes. The oblast executive committee supported these recommendations.

An Experiment Is Proposed

The housing development in Nizhniy Tagil includes 46 organizations, 43 heating sources and thermal networks and 36 roads. The departments are not carrying out the requirement for ensuring that the dwellings are maintained in technically correct condition and the required repair-operational base has not been placed at the disposal of the executive committees. This is a rather serious problem in view of the fact that the required volume of repair work exceeds 80 million rubles. And for creating a base for the operation of a housing fund, approximately 15 million rubles worth of expenditures are needed. Understandably, it is difficult for a city with an annual budget of 45 million rubles to find such resources.

We believe that for the purpose of solving socio-domestic problems and questions concerned with the engineering infrastructure of cities and maintenance of the housing fund, use can be made of the experience accumulated in the creation of territorial inter-branch associations. For us, the formation of such an association is facilitated by the fact that an all-round program for developing the housing-municipal economy for the 12th Five-Year Plan has been developed jointly with the Academy for the Municipal Economy imeni K.D. Pamfilov. The municipal executive committee has recommended the carrying out of an experiment involving the creation of a territorial association for a city housing-municipal economy, based upon the housing-municipal organizations of ministries of union and republic subordination and local soviets. USSR Gosplan, the RSFSR Council of Ministers, USSR Minfin [Ministry of Finances] and the RSFSR Minzhilkomkhoz [Ministry of Housing and Municipal Services] have examined our proposal and drawn a positive

conclusion. The union ministries of leading enterprises located in Nizhniy Tagil have also agreed to participate in the experiment.

In accordance with the conditions of the experiment, the enterprises and organizations will be included in the structure of the association on a dual subordination basis and retain their economic independence, the rights of a legal entity and departmental affiliation. The goal -- to work out an economic mechanism for interaction among the departments and local soviets in the all-round development of the municipal economy, under conditions of departmental isolation.

The plans call for the following tasks to be assigned to the association: carrying out a uniform technical policy in matters concerned with operation of the municipal economy; accelerating the development of the repair and operating base of housing and municipal economy.

The experiment must also ensure maximum utilization in economic turnover of local resources and industrial waste products (creation of production operations). Special importance is being attached to the planned preparation of departmental housing-municipal installations for transfer over to the balance of local soviets. In order to raise the technical level of the housing and municipal economy, the plans call for the use of the scientific and technical potential of the city and the creation of an ASU-municipal economy.

Certainly, all of this assumes the combining of financial, material and labor resources in the interest of carrying out large-scale operations of an all-city nature. The financial resources are formed within the framework of the fund for developing the municipal economy, with a special bank account being opened up for this purpose.

The sources for this fund could include the following: amortization deductions for capital repair; a fund for socio-cultural measures and housing construction; a fund for the development of enterprises and the city budget.

Preparatory work is presently being carried out and it is hoped that the legal formulation of this association will be completed during 1987.

The creation of a territorial inter-departmental association will make it possible to unite the efforts of enterprises with regard to improving the operation of the housing fund and other elements of the municipal economy and raise the degree of efficiency in administering them.

Review of Reader Responses

Moscow EKONOMICHESKAYA GAZETA in Russian No 18, Apr 87 p 17

[Article by O. Pravotorov: "Territorial Standpoint for Acceleration"]

[Text] The problem concerned with an optimum combination of the branch and territorial aspects of administration is both complicated and many-sided. The article by M. Glazyrin entitled "Territorial Standpoint for Acceleration"

(EKONOMICHESKAYA GAZETA Issue No 52 for 1986) was devoted to analyzing this problem. According to reader I. Nikonov in the city of Krasnoturinsk in Sverdlovsk Oblast, this article plowed up the "first layer of the as yet untouched virgin land of the economic mechanism of a city."

Dozens of other letters sent in to the Editorial Board have stressed the urgency being attached to improving the methods employed for administering the socio-economic development of regions.

In their letters, the chairman of the Sochi gorplan [municipal plan] S. Zhuravlev, the secretary of the Gomel Oblast Committee of the Communist Party of Belorussia V. Sanchukovskiy and others emphasized the need for employing in a thorough and creative manner the experience accumulated in the city of Poti in conformity with the various local conditions.

Candidate of Economic Sciences V. Sadkov in the city of Tomsk believes that the experience accumulated in the creation of territorial inter-branch associations (TMO's) is not general in nature, but rather represents a partial solution and one which is suitable for small cities having a limited number of enterprises.

In large cities, according to the author of a letter, the coordinating role must be played by a "single departmental-territorial system for stimulation and responsibility." Its pivotal point could be a territorial fund for all-round development. With the creation of such a system, an enterprise or organization which does not belong to a TMO will not only know exactly the amount they must introduce as their share in the all-round development of a city but also the degree of assistance they must furnish in construction. For non-fulfillment of the task, a fine is levied upon an enterprise.

Many readers feel that a shortage of skilled workers is adversely affecting the influence being exerted on economic life by local soviets and that it is raising their role as organizers and mediators in the relationships of enterprises on the territory of a city.

A municipal planning committee, for example an executive committee of the Feodosiya Municipal Soviet, has four individuals on its staff. They are concerned with planning and controlling the course of fulfillment of the plans for an economy subordinate to an executive committee. "Commencing in 1966" writes the deputy chairman of the executive committee M. Ivlev, "gorplan [municipal planning] is tasked with developing special purpose all-round programs for labor, organizing the production of consumer goods and the sphere of services for the population, quality and also computing the tasks for achieving savings in the use of material and fuel-energy resources. It is practically impossible to cope with such a volume of work; neither the staffs nor the personnel skills are adequate for doing so."

Similar difficulties are also discussed in letters received from the chairmen of the Belgorod gorplan M. Matukhnov, the Saratov gorplan V. Grigoryevoy and the chairman of the Executive Committee of the Borisov gorsovet in Minsk Oblast E. Ivashkevich.

The coordination possibilities of local soviets are limited as a result of failure to organize an information service.

"Thus, one of our plants" reported the chairman of the Kostroma gorplan A. Golubkov, "has mastered the production of electronic temperature regulators for which there is a great demand: thermal energy must be conserved. Yet we have learned that our regulators are also being produced in another city."

According to the chairman of the Vladimir gorplan V. Musatov, today the economic departments of municipal soviets are spending most of their time serving in the role of an information adjunct for the administrative organs of an oblast or republic element. For example, the planning committee for the Vladimir Municipal Executive Committee, consisting of 5 individuals, was forced to satisfy the numerous requests of 17 branch departments of obplan [oblast planning], implement control, organize the carrying out of work, regularly prepare information on the numerous decisions handed down by the oblispolkom [oblast executive committee] and so forth.

According to the author of one letter, there are many who believe that growth can be ensured in the influence exerted by municipal soviets through more efficient control over the responsibilities of structural subunits. This same point of view is held by the chairman of the Ulyanovsk gorplan N. Logunov and Candidate of Economic Sciences K. Ovsyannikov.

In the opinion of the chairman of the Klaypeda Executive Committee A. Zhalis, sound economic norms should be established for share participation in the solving of social problems, based upon population size, number of workers, consumption norms, level of development of the municipal economy and level of support for a city's population. Capital investments and the limits for contractual work are turned over to those local soviets tasked with performing the function of client. The system must be augmented by the imposition of fines against those enterprises which decline to carry out their obligations in behalf of the city.

Letters from those who advocated the use of such an approach in solving this problem predominated in the Editorial Board's mail. A similar principle already forms the basis for an experiment planned for carrying out in Yaroslavl. The amount of funds to be withheld for the local budget for developing those branches of the municipal economy associated with providing services for the population, will depend, in the words of the secretary of the Yaroslavl Oblast CPSU Committee, "not upon the generosity of the ministries but rather upon clear norms which were known in advance."

The chairman of the Kemerovo gorplan A. Ovcharov, the head of the Industrial-Transport Department of the Nikolayev Oblast Committee of the Communist Party of the Ukraine A. Pribysh, the chairman of the Kostroma obplan V. Cherkasov and many others all favor the development of strict norms for withholdings for the social development of a city.

The opinions expressed by readers on this subject were very diverse. Nevertheless, they were unanimous in their belief that the existing situation requires radical changes and considerable restructuring of the present system for controlling regional development. Only decisive restructuring is capable of providing the needed impulse for acceleration.

FOCUS ON PRACTICAL PROBLEMS IN MODELING, ECONOMETRICS URGED

Moscow EKONOMIKA I MATEMATICHESKIYE METODY in Russian No 1, Jan-Feb 87 pp 142-154

[Article by Yuriy Nikolayevich Gavrilets, doctor of economic sciences, professor, head of a laboratory at the Central Economic and Mathematical Institute: "Some Problems in the Development of the Economic and Mathematical Trend"; subhead below title: "Qui non proficit, deficit - Who does not go forward, goes backwards (Latin)"]

[Text] During the more than 25-year period of its existence the economic and mathematical trend traversed the path of rapid and extensive development accompanied not only by successes, but also by failures. At present, when the country's national economy is gearing toward intensive development, it is necessary to analyze tne reasons for victories and defeats and to map out a strategy of restructuring and intensifying scientific development. Within the scope of one article it is impossible to make a full analysis of the basic problems in this trend. This is the task of the entire discussion held among mathematical economists and begun by V. L. Makarov on our journal's pages [1].

This article touches mainly upon problems, with which the author has dealt in his research practice and which are close and seem interesting and important to him.

Many economists of traditional specialization, practical workers, journalists, and mere residents have a number of grievances against mathematical economists, which are valid to different degrees and which have increased especially after the criticism of the unsatisfactory situation with the introduction of economic and mathematical research results on the pages of the party press.

There is no need to somehow justify or explain the reasons for many failures and to point to the absurdity or amusing nature of many incompetent remarks directed at serious and profound science. It is sufficient to simply compare the situation during the 1960's and now so that everything may become clear. What happened during the first years of formation of economic and mathematical methods? What were the scientific ideas and introductions into practice? Works by L. V. Kantorovich, V. V. Novozhilov, and A. L. Lurye laid the foundations of the theory and, owing to V. S. Nemchinov's energetic scientific and organizational activity, the prerequisites for the utilization of economic

and mathematical methods by practice were created. However, scientific forces, except for several scientists (although prominent) of the older generation, were reduced to two dozens of yesterday's students with various specializations and to the same number of students, who were still being trained, in Moscow, Leningrad, and Novosibirsk.

Works by Soviet founders of the economic and mathematical trend established that the essence of socialist society could and should be manifested not merely in centralized, but also in optimal, planning, that optimal prices should also correspond to the optimal plan, and that in this case the interests of the national economy and all its parts would be coordinated and noncontradictory. At that time all the difficulties of economic science seemed easily surmountable, especially with the appearance of high-speed computers, and the transfer of national economic planning to the path of universal utilization of economic and mathematical methods seemed realizable in the very near future.

The situation changed significantly during the past period. First, meaningful ideas by economic scientists concerning real economic relations and possible methods of management were expanded and deepened, a large number of specific tasks were translated into the language of mathematics, and both mathematical methods and computers were applied in almost all national economic sectors. Many practical measures for improving centralized planning and the entire economic mechanism had as their source works based on an economic and mathematical analysis. Second, there was a manifold increase in the number of economic researchers actively utilizing the powerful arsenal of mathematical methods. New specialties in higher educational institutions, scientific research institutes, and printed publications appeared. Of course, one cannot state that the percent of "gray" dissertations, mediocre research, and weak introductions greatly exceeds the corresponding share of works in other sciences, but the formation of the new scientific trend has occurred--and this is the chief thing.

1. Mathematical Modeling

The understanding of the complexity of problems facing scientists and practical workers increased during the past period. No one believes now that several superpower computer centers are able to determine optimal plans for the entire national economy and that sectors and enterprises will only have to fulfill them without any doubts and additional calculations. Science has attained a qualitatively new level not comparable with the previous one. A powerful arsenal of modern mathematical means of analysis, forecasting, and administration has been accumulated. At the same time, giving an answer to some questions, science encounters new problems. The search continues and, of course, is not smooth in everything. Thus, in our opinion, some disproportions between the quality and completeness of the model reflection of various economic processes have appeared: Some economic phenomena are taken into consideration in economic and mathematical models approximately at the level of the early 1960's, others have not entered the sphere of economic and mathematical attention at all, and such complex and abstract models correspond to still others that their meaningful value as yet is of an especially problematic nature. In our opinion, many spheres of economic analysis

experience a certain shortage of new mathematical models of real economic phenomena and processes rich from the meaningful aspect. The idea that any number of models can be provided is erroneous. It is possible to circulate the same type of model for different concrete objects, but to build a new model and to formally reflect such properties and relations, which have not yet been reflected, is not at all a simple task. The failure with a universal introduction of automated management systems was predetermined, in particular, by the fact that we did not have the necessary number of various economic and mathematical models, without which automated management systems were transformed into a giant arithmometer, which no one needed. Universal computerization can also suffer failure if the experience with automated management systems is not taken into consideration and if a meaningful and model support encompassing problems concerning information processing, decision making, and training, which, in fact, the national economy, science, and practice need, is not prepared in advance.

However paradoxical it may be, the enthusiastic speeches of welcome to computerization are accompanied by periodically arising archaic ideas of the role of mathematics in economic theory and practice. In connection with this I would like to stress one thesis, which could be considered trite if not for the numerous examples attesting to the actual lack of understanding or stubborn lack of desire to understand it. Everyone is seemingly familiar both with K. Marx's viewpoint of the role of mathematics and with his thesis concerning the objectivity of human thinking, but then it should be clear that the effect from the application of economic and mathematical methods and computers is not reduced only to the "usefulness of quantitative calculations during the study of economic processes and phenomena" [2, p 10]. And although the "use of computers can significantly facilitate economic calculations and make them less labor intensive" [ibid], the matter is much more complex than can seem to the excessively distrustful and skeptic mind. Mathematics and computer use change the specialist's (economist's, sociologist's, linguist's, and so forth) thinking, intensifying the depth of understanding and accuracy of knowledge. Without new concepts and logical structures introduced into an old subject by mathematics and cybernetics and without powerful information processing means the development of any science, which has accumulated significant factual data, inevitably slows down or stops at some level.

At the same time, thinking in general and, especially, strictly mathematical, possesses a certain inertia. Therefore, the mathematician's thought usually follows the lines of accepted axioms and schemes of proofs--"based on the attained level" of a formal description. It is immeasurably simpler for the "pure" mathematician to prove a complex theorem generalizing a certain formal statement, which has already been proved, than to understand the need for replacing or rejecting certain axioms on the basis of meaningful considerations, or rejecting too free interpretations of formal relations. There is no doubt that new proofs and strict formulations concerning conditions of existence, uniqueness, and so forth are needed. However, in addition, much more attention should be paid so that models (of the type of abstract models of mathematical economics) are verifiable. It is necessary to proceed to the construction of new models not only through mathematical generalization, but, primarily, through an expansion and intensification of objective theoretical ideas of the object of research.

Modern economic and mathematical science has a number of internal problems, which should be resolved by its further development. In general outline these are problems of developing structural methods of systems analysis of socialist property, the economic mechanism, centralized planning, and social and ecological economic factors. With respect to objects and tools they are concretized in tasks concerning the determination of the optimal policy of price formation, decision making, stimulation of labor activity, and so forth. We will dwell on some of them below.

2. Economic and Mathematical Tools and the Cybernetic Approach

In a certain sense economic and mathematical tools are the foundation for the entire economic and mathematical trend. The language of mathematical description, special methods of information analysis and processing, software, and computer complexes make the transition of economic science to a qualitatively new level possible and give a truly scientific basis for social and economic planning and management. Therefore, it is desirable to develop tools in the direction that will be most effective. The discussion held by the journal will, perhaps, be able to make the necessary recommendations. Here, however, I would like to draw attention to individual problems, which, in our opinion, are important for the further development of this trend.

Among theoretical problems constructing and analyzing models of the mechanism of functioning of dynamic economic systems (also reflecting the necessary set of social factors, processes of distribution of public consumption funds, personnel training, and so forth) seem extremely important. Here the center of gravity of the economic and mathematical analysis should be shifted from proofs of various kinds of theorems on the existence of an equilibrium and study of the properties of optimal states to a description and construction of rules governing the interaction of all the parts of the modeled system, which ensure a convergence to the optimum and to the equilibrium. In addition to standard research on the stability of these types of discrete or continuous processes with a lagging argument or not, research on the behavior of "real trajectories" differing from "planned or calculated trajectories" can be of considerable interest. This difference arises owing to limited computer capabilities of any real management system, change in the environment, or refinement of information on it at different stages of current planned calculations. Research on the dynamics of interactions is the chief thing here. If we limit ourselves only to the study of production and economic characteristics of objects in an optimal-equilibrium state, or with a fixed rule of formation of their states (formation of enterprise funds, correlations between public consumption funds and monetary consumption, and so forth), the analysis will be incomplete and a logical basis will not remain at all for the mechanism's synthesis.

Although the difficulties in formal mathematical research on this problem are considerable, nevertheless, they are not insurmountable. Furthermore, the utilization of simulation modeling in its entirety is possible here, which is especially important during the synthesis of the mechanism of functioning. As noted in [1], machine modeling can appear in the role of a kind of experimental analytic stand, which makes possible, along with a quantitative

evaluation of economic characteristics, a qualitative analysis of the most important characteristics of behavior of the system as a whole and of all its parts.

The development of a permanent "electronic analog" of a real social and economic system also seems a serious goal. In some sense the development of all analytic and simulation models should be oriented toward it. Of course, it will be necessary to overcome a vast number of various types of difficulties on this path. However, the possibilities of investigating and solving the most diverse problems will become, according to today's yardstick, unlimited.

Econometrics is the most important section of economic and mathematical tools. A large number of schemes and methods of statistical analysis and forecast of the behavior of interacting economic objects have been developed, but the need for efficient methods for the solution of new problems grows continuously. For example, in a number of cases there is a need for special methods for a correct restoration according to the observed behavior of the target function of a social group, or some other statistical object. Often it is necessary to statistically evaluate not only the parameters of the target function, but also some quantitative parameters of constraints, which along with the target function determine the object's behavior. This means that, generally speaking, it is necessary to have statistical methods of evaluating the most different parameters concerning the model of behavior of a social and economic object of a highly complex nature not reduced to ordinary regression relations.

Intensification of the social trend of economic and mathematical models lends special significance to statistical methods of objects of a nonnumerical nature [3, pp 58-92], because the scale measuring social and psychological variables very often proves to be nonnumerical. Appropriate sections of an applied statistical analysis are developing very intensively. However, the need for specific and effective algorithms of evaluating the parameters of nonquantitative models is not met fully.

The rapid development and application of mathematical tools proper have somehow pushed to the background the cybernetic aspect of the problem of gaining knowledge of social and economic reality and of the problem of managing corresponding complex processes. For some time the systems approach and systems analysis have attracted mathematical economists, but, mainly, as a convenient, or more accurately, respectable "package." From the meaningful aspect neither systemic, nor cybernetic, ideas, which, apparently, it makes no sense to differentiate, are hardly used, despite, from our point of view, their potentials. Meanwhile, general cybernetic ideas can orient the researcher and practical worker in many specific situations, but, in addition, there are strictly managerial problems formulated and solved in cybernetic terms. The development of this aspect of the quantitative science of society is obviously unsatisfactory and needs the attention of economists and mathematicians. To a certain extent this fact explains the failures with the use of economic and mathematical models in planning and management practice.

During the practical utilization of a certain economic and mathematical model, which correctly reflects the production and economic (even social) situation, the fact of its very inclusion in the functioning management system and the problem of transforming the existing model into a certain element of the management system and economic reality arise. This means that a new object appears, whose efficient functioning is ensured by the flow of direct and inverse information communications, by the speed and accuracy of information processing, and by coordination with other parts of the social and economic system. There are problems, which should be solved by mathematical economists interested in a practical introduction of their models.

In our opinion, an analysis of existing economic mechanisms, or, for example, of the system of centralized planning and management (of a sector, an enterprise, and the entire national economy) cannot be full without taking into consideration such cybernetic characteristics as: a) quantity and quality of circulating information and direct and inverse communication channels; b) special characteristics (value and physical) of means (computers and people) engaged in information processing; c) characteristics of the complexity of problems solved by management; d) level of organization and efficiency of the entire management system; d) nature of purposefulness of subsystems, and so forth.

In fact, is it possible to criticize or propose some organizational structures and forms of management and not to touch upon the problems of their managerial efficiency? And what is efficiency? Having processed necessary information cheaply, the ability to make the correct decision rapidly. Many special problems, which should be subjected to the scientific language in the language of mathematical models, arise in large and complex modern management systems. In particular, when analyzing or synthesizing management technology [4], it is necessary to single out in an obvious form the goals and interests of people engaged in managerial activity. The spreading of man-machine systems complicates these aspects even more. Unfortunately, we do not have enough such research.

The study of conditions necessary for efficient management--the so-called law of necessary variety [5, 6] establishing the low limit of variety of a management system depending on the complexity, level of organization, and other characteristics of the managed system and the environment--is one of the most important problems in the cybernetic approach to the tasks of social and economic planning and management. The impossibility of fully describing and managing a complex system makes it necessary to utilize this law in practice. Without the invasion of mathematical methods and computers into planning economics could not have coped with the abundance of complex problems facing it. As far as we know, among economic studies of recent years there is not a single one that would be devoted to an analysis of the operation of this law as exemplified by specific processes. At the same time, not a single real management process can occur, violating the conditions dictated by this law.

Economic and mathematical research on such a fundamental problem as the development problem is also absent. Of course, it can be considered that dynamic models of the national economy, or so-called growth models, are development models. However, this is not at all so. The process of

development presupposes not only a simple increase in the number of all the parts of a system, but its qualitative change, the appearance of fundamentally new characteristics and qualities, an increase in the complexity of management problems, and so forth.

First of all, however, development is an increase in the complexity and variety in a system. The search for improved, new forms of economic and, in general, social life and the very development of society are inconceivable without the necessary variety, which is manifested in the level and ramification of science, in the democratization of social life, and in the diversity of culture. The trend of research on the role of scientific and technical progress and innovations is directed to a certain extent toward the study of certain important aspects of these problems. However, the tasks of their cybernetic and economic analysis have not yet been set.[1]

Another problem, which, in our opinion, has remained somewhat apart from the main paths of modern economic and mathematical science can be conventionally included in cybernetic types of problems. It concerns the stochastics of economic life in essence. Virtually any economist--theoretician or practical worker--is firmly convinced that all the phenomena of social and economic life are probabilistic and that very often a case plays too significant a role in order not to take it into consideration. However, a more than modest role is assigned to a case and stochastics in economic and mathematical models at the meaningful level. On the one hand, a number of probability theoreticians of economic and mathematical specialization are engaged in probabilistic economic models, but, on the other, in practice, there are no publications, which would present meaningful discussions of the probability aspect of social and economic phenomena based on experimental calculations. Of course, such calculations require the availability of a large volume of social and economic statistical information (this is a separate, extremely important problem, upon which we will touch below), but the very "order" and "demand" for it should be substantiated by means of specific models, whose experimental realization could give valuable, new knowledge to economic science.

Here we will stress the need for a more active utilization of stochastics in cybernetic models, which simulation models and computer stands are.

3. To Turn to Social Problems of Man's Life

The need for a serious restructuring and renewal of economic science is now realized by most scientists, including mathematical economists. It cannot be said that the importance of research on the "human factor" and social relations is something quite new for them. Economists have always believed that economic relations are relations among people and that man's labor is the basis for production and the satisfaction of people's needs, the first goal. However, only after the 27th CPSU Congress did social sciences begin to address human problems in the manner that they deserve this.

It should be noted that the extreme demands on economic science "to place man in the center of its study," to solve "global general human problems," and so forth [2] are of a limited value, because problems of political economy, sociology, and social psychology are not identical to each other. And

although the object--society--is common, it has its own structure. Therefore, different subjects, studying it from different aspects, can fully retain their independence. At the same time, however, it is necessary to organize an organic and multiplane interaction between economics and other social sciences. In this interaction economic and mathematical methods in a certain sense are basic for other social sciences. First, the general methodology and level of development of mathematical tools themselves in economic research often also make it possible to use them in other areas without a radical change. Second, the most interesting results of economic and mathematical modeling are connected with the tasks of investigating human activity (economic) in the social system and of the interaction of systems, which include man, with each other. Therefore, in a certain sense such disciplines as demography, sociology, criminology, and social psychology can and should be based on the experience in economic and mathematical modeling and many problems should be solved jointly with mathematical economists.

Uncovering the patterns in social life is one of the basic tasks of social sciences. Objectively formed correlations among man's activity, his living conditions, and his subjective attitude toward all the elements of the external world are important types of these patterns. The task of the economic and mathematical trend lies here in a mathematical description and modeling of the preferences and aims of social groups determining (together with other objective factors) social and economic behavior, as well as the functioning of the entire social system.

The demand of the time--to more fully reflect the "human factor" in economic research--signifies primarily the need for a more profound investigation of the subjective (although at the level of group consciousness), which, ultimately, is mediated, as is commonly believed, by objective reasons. Therefore, economic and mathematical methods should also reflect the interests of live people in all the spheres of economic life and, first of all, strictly behavioral aspects of labor and consumption.

Unfortunately, not a very gratifying situation has now been created in this area. On the one hand, it can be considered generally accepted that man's social and economic behavior is a purposeful conscious process of selecting one specific "state" out of a large number of potential ones. In the most profound and meaningful theoretical models of the economy the goals and interests of social groups are described in the language of target functions or their analogs. On the other hand, to this day, essentially, there has been no qualitative experimental check on the hypothesis of existence of a stable system of labor and consumer preferences (with the exception of the most recent or individual episodic investigations). However, how is it possible to engage in the study of patterns in the formation of demand, consumption, and savings and not to have an idea of the preferences of various social and demographic population groups? How is it possible to scientifically substantiate the policy in the area of labor productivity growth and stimulation of labor activity and not to know more or less accurately how people themselves evaluate their labor as compared with wages and other "incentives"? All these questions pertain to such an extraordinarily important section of economic science as people's well-being. Unfortunately, for many years their investigation even in works belonging to economic and

mathematical ones proceeded basically in the old way, not rising above the usual regression analysis. Here it is difficult to separate subjective and objective reasons, which should be overcome in the process of acceleration. Subjective reasons include the unwillingness of some economists to restructure their attitude toward mathematical modeling, of others, to expend, perhaps, considerable efforts on their own training in new things, and of still others, to defend a point of view not yet generally accepted. Obsolete traditions in the attitude toward the social and psychological aspect of the economy, the catastrophic shortage of specialists in corresponding fields, the complexity of the very object examined at such a level, and difficulties in obtaining statistical information are objective reasons. Nevertheless, it can be asserted that the high road in planning tomorrow's social and economic development will pass through an active modeling of the most different goals and interests of all social groups and their interrelations.

As an example we will examine in brief the stages forming the process of experimental construction (detection) of workers' target function in the field of labor and wages on the basis of a special sociological survey.[2] First, it is necessary to formulate a clear meaningful concept of the studied labor behavior and subjective attitude (preference) of a worker, which regulates this behavior. Second, it is necessary to have, in addition to the mathematical model, special methods and algorithms, by means of which it will be possible to restore the target function modeling the preference. Third, it is necessary to develop a special questionnaire or an interview program for conducting a survey among workers, according to which it will be possible to restore preferences. Fourth, it is necessary to competently conduct the envisaged survey so that answers to questions may reflect the real behavior and preference and allow for subsequent statistical processing.

We have intentionally left out many other important problems, which should be solved "incidentally" (for example, scaling variables, organization of sampling, distortion of information, and so forth). It is obvious, however, that the problem is quite complex. Today the most complex thing is to obtain reliable initial information. Without competent sociologists or psychologists investigating the economic aspect of the matter and organized into special sociological services an efficient and qualitative collection of questionnaire and other information is impossible. It will also be extremely difficult in the absence of minimal interest on the part of the administration of appropriate enterprises and organizations.

4. New Objects of Economic and Mathematical Modeling

The development of the economic and mathematical trend should be accompanied both by the appearance of fundamentally new approaches and objects of modeling and by a qualitative transformation of mathematical tools. Both processes occur in a close interaction. The complexity and specific nature of modeling the behavior of man as the subject of decision making were noted above. However, in itself this problem, although not yet worked out sufficiently, on the whole, is familiar to mathematical economists. Studies [1, 7] stress the importance of and argue the need for an economic and mathematical modeling of processes of interactions of various economic mechanisms within the framework

of a single national economy, which is a fundamentally new view of economic patterns.

An important problem concerning the correlation of the real and potentially possible in the object of economic and mathematical modeling arises. Critical remarks are directed at mathematical economists as at political economists in connection with the fact that often they study farfetched schemes, not the reality. Without any doubt the fairness of these reproaches deserves the drawing of the necessary conclusions and a stricter determination of the position on this matter.

Social and economic reality, the discovery of the patterns of which is the first object of research, is the basic object of study of economic science. However, economic science not only serves to meet man's cognit ve needs, but also has a higher-level goal--to make life better than it is. The standard (that is, practical and planned) orientation of Marxist economic science[3] is also characteristic of the economic and mathematical trend. It is only necessary in each specific case to determine in quite a clear manner what is the topic of discussion--existing reality, or a certain possibility, which will become a reality during the implementation of a number of mandatory conditions. Alas, this is not always done.

It can also be added that the demands on economists to deal with real problems often could not be met satisfactorily owing to the fact that publications and, moreover, the very analysis of negative phenomena in economics were not greatly encouraged in our country until recently. At the same time, without a scientific analysis of such phenomena (speculation, report padding, misappropriation, cliquism, and so forth) and of the causes and mechanisms of their formation it is impossible to wage a successful fight against them. Economic science should look directly in the eye of real facts and develop models, which are both realizable and meet ideas of a better future.

The problem of modeling mechanisms realizing the principles of social justice should become important and new for the economic and mathematical trend. It may seem that "this is already too much!"--let philosophers, sociologists, and legal experts first analyze everything at the meaningful level and only then it will make sense to engage in mathematical modeling... However, the dynamism of life does not give time for a pedantic observance of some allowed order of scientific developments. All social scientists together must right now undertake the solution of urgent problems. The inclusion in research at an early stage of specialists in the economic and mathematical trend will help immediately to attain the necessary efficiency and the degree of unambiguity and clarity of concepts of justice, desirability, or inadmissibility, which are so needed in life and without which a strictly scientific study of social phenomena is impossible. There is no need to explain that the clarity of goals and accuracy of schemes are also so important for practical activity.

The problem concerning the mechanisms of execution of social justice is too big in order to be able to enumerate all its basic aspects in this article. We will only map them out. First of all, it is necessary to find operational formulations of basic ethical principles, which permeate or should permeate all the aspects of social life and mutual relations among social groups.

Society's acceptance of abstract formulations of the type "everyone has the right to labor," "pay according to labor," "equal pay for equal labor," and "everyone is equal before the law" cannot be a guarantee of their realization without an amplification of answers to the following questions: What types of activities are considered labor? What does a choice of labor mean? What does equal labor mean and how to measure it? What does equal pay (for example, if public consumption funds are available) mean? and so forth.

The view, which was widespread at one time, that an accurate formulation and formalization of a single criterion of optimality of national economic development, to which all processes in the economy should be subordinate, can solve all problems is excessively optimistic. There is a need for a significant concretization and a fundamental development of the concept of social optimum, without which it will be able merely to point out the scientific research trend, but, on the whole, will become only speculative.

Two types of tasks of this global problem can be singled out. The first includes those that can be called tasks of local social optimization, that is, determination of so-called "coefficients of labor participation" for a fair distribution of the earned money among members of a single-contract brigade; development of the "service sphere" for meeting the needs of the population of a certain city or rayon and so forth. However, the point is that all similar "local" tasks are interconnected. The fulfillment of principles in one place should correspond to their realization in other places. For example, as statistical calculations have shown [8], the level of provision of the social infrastructure with services in some RSFSR oblasts does not always correspond to the social labor productivity of these oblasts and this can signify a violation of the principle of distribution according to labor at a regional level. In order to minimize such situations, it is necessary to ensure a mechanism of coordinating the realization of social justice. The well-known problem of assigning or uncovering "coefficients of social significance" commensurating target functions of groups in the global optimality criterion can serve as another model example of this task [8, 9].

A whole category of problems new for the economic and mathematical trend arises in connection with the development in our society of democratic self-management principles. Many spheres of social planning, management, or distribution of some benefits require the development of scientifically substantiated procedures of collective decision making by labor collectives, residents of settlements, and collective management organs. For example, coefficients of labor participation can be calculated by means of special procedures of restoration and utilization (with the participation of all members of a labor collective) of workers' target function in the area of labor and wages.

We would like to draw attention to the fact that in a number of cases the population's answers to questions in a sociological questionnaire are none other than a distinctive form of voting. Therefore, uncovering by means of a survey, for example, the opinions of social groups concerning their most urgent needs, it can be found out how the population as a whole, or its individual groups, will react to a specific policy of meeting them. For this reason appropriate management organs (local soviets, administration of big

enterprises, and so forth) should be able to obtain full information from sociological services on problems entering the sphere of their managerial social activity. As a result, a regular utilization for management decisions of sociological information on the population's views in some respects would signify the population's "connection" to management itself. However, in order that this may be actually so, it is necessary to have existing models of the population's preferences and ways of satisfying them, procedures for information collection and processing, and appropriate organizational forms.

5. Three Examples of Political and Economic Consequences of Economic and Mathematical Analysis

For the further development of economic and mathematical modeling of great importance is the development of its meaningful interpretable part. The formalization and check of individual political and economic tenets and the political and economic analysis of conclusions from modeling experience play an important role in this process. We will cite several examples of nontrivial qualitative consequences of economic and mathematical modeling, which are of an obvious political and economic nature, but can be discussed meaningfully only in terms of optimization and balanced economic schemes. All these examples are connected with the author's personal research experience.

Since both the political economy of socialism and the economic and mathematical trend have a very significant "standard component," the first example pertains to an analysis of the model of the economic system, which has attained a very high level of development. It can be shown in a mathematically strict manner that an economic state, when with certain economic calculations (profit and production cost) "labor... expenditures should be deducted, not summed up," is possible theoretically [6, p 112]. In other words, under certain circumstances value can be a negative magnitude. Such a situation is due to the fact that labor becomes people's need, not only a means of obtaining consumer benefits. Its paradoxical nature is based on a presently real situation, when the nature of labor changes, which requires a more profound political and economic analysis. Here economic and mathematical modeling seemingly supplies "information for thought" for political economy.

The second example is connected with a sociological analysis and modeling of the labor behavior of workers, who can perform various types of operations (machining of various articles, changeover to other machines and mechanisms, new trips, shift work, and so forth) during a shift or a longer period. In this case every change in the type of work is subjectively evaluated by a worker as profitable or not, depending not only on wages, but on the physical, psychological, and other loads, which accompany these operations. The assumptions on a free and sufficiently rapid reaction of labor overflows from some production facilities to others with a change in the level of wages necessary for an automatic wage equalization in accordance with an objectively determined labor evaluation become not realistic under present conditions. Therefore, knowledge of the "subjective scale of simple labor" (commensurating its various concrete modifications), to the payment of the values of which the worker, in fact, reacts with his behavior, would play a special role for the establishment of a fair and economically justified wage system, especially

under present conditions of intensification. This aspect of wages under socialism could be developed jointly by mathematical and political economists.

The third example follows from the attempt at formalizing and investigating mutual relations among such fundamental political and economic categories as the basic economic law and principle of distribution according to labor. It turns out that, if the basic economic law is operationally reflected in the form of the optimality criterion, that is, the target functional balancing the interests of various social, labor, and other groups in accordance with accepted ethics, generally speaking, the correlation between evaluations of labor and the consumption of consumer-labor groups will change continuously [8, 9]. In other words, the demand to clearly observe the level of evaluation of consumption depending on the significance (evaluation) of labor will be violated. Conversely, the attempt to maintain a fixed correlation between the remuneration and evaluation of labor can signify a certain "lack of rationality," or of invariable ethics of coordination for the system as a whole. Standard political economy and economic and mathematical modeling should determine which of these situations should be given preference.

Many such examples of a connection between economic and mathematical modeling and political analysis can be cited.

6. Utilization of Economic and Mathematical Recommendations in Practice

One of the most sensitive reproaches directed at the economic and mathematical trend is the accusation of its detachment from the practical needs of the national economy and planning and management organs. Taking advantage of the opportunities afforded by this discussion, I would like to better clarify the situation and to express an opinion, which, apparently, is paradoxical for many: As a rule, appropriate organs either do not want to utilize the recommendations obtained by economic scientists, or are not ready for this. The following question can be asked: Were there many cases, when mathematical economists, having received from practical workers of any level a clearly set assignment, were not able to fulfill it, or fulfilled it unsatisfactorily? Apparently, the seeming and real insufficient practicality of economic and mathematical methods is due to the fact that the global social order on the part of the entire society is weakly supported "in localities" and in a number of cases, in fact, is cancelled by existing faulty patterns in thinking, bureaucratic administration, and economic practice. It is not even so much a matter of utilizing the results of mathematical modeling as of the fundamental nature of proposals on a change in the methods of economic practice and production relations. Every serious proposal requires the understanding and participation of many people for its realization.

Many materials on how numerous proposals on the introduction of new technology or other inventions, sometimes very serious, could not force their way through various kinds of departmental and bureaucratic barriers for a long time appeared on pages of central newspapers and journals last year. It is difficult to accuse the inventors themselves of the fact that the consumer does not want to consume their "output," but often authors of economic proposals, including those utilizing economic and mathematical methods, are in such a situation, only it is even more complex. As in the case with the

introduction of new technology, so here, apparently, there is a need for special conditions, when planning and management workers will be interested (including economically) in mastering and realizing new methods. For the time being, this does not exist.

It should also be noted that on the scale of all economic science the practical utilization of its results is directly proportional to the volume of statistical information at its disposal. It is senseless to talk about the benefit of science for applied economics if science does not have the required real information. Meanwhile, often the situation is precisely such. At present the information problem is becoming vitally important not only for the solution of some practical tasks, but also for the development of fundamental economic science and its economic and mathematical trend. Is it really possible to make a transition from abstract mathematical modeling to the modeling of real economic processes without the necessary information? The problem of feeding economic science with statistical information is complex and overall and it should be solved overally and radically. There is a need for serious transformations and for an improvement in the entire system of state social and economic statistics, the establishment of new (perhaps, cost accounting) operational local statistical organizations, the maximum expansion and improvement of the list of indicators published in the open press both by statistical organs and researchers, and so forth. These kinds of proposals have been repeatedly expressed by many social scientists. The importance of their execution is obvious to all, but progress is not observed to this day.

In conclusion we would like to stress several most important factors determining the further development of economic and mathematical methods.

First, it is necessary to accelerate the reorientation of economic and mathematical theory to the solution of real social and economic problems facing our society on the path of restructuring. Only a radical transition to the calculation on computers of variants of the most general and local models according to real data, or data close to them, can lead to qualitatively new theoretical results and to their practical utilization. Of course, without solving the problem of providing economic research with statistical information there will be no success in this matter.

Second, it is necessary to strengthen the "weight of the social component" of economic research, for which extremely favorable conditions have now been created in social sciences and in the country as a whole. It is also necessary to significantly supplement the practice of performance of scientific work by small isolated groups with a transition to a system of serious social and economic research projects aimed at the solution of important theoretical and practical problems and unifying the efforts of specialists in social sciences in various fields and of various scientific research collectives.

Third, it is necessary to increase the number of cybernetic models and machine experiments for the solution of social and economic problems. It is a matter of developing models of the functioning of interacting planning and management systems, computer stands, simulation models, and so forth. The development of

"electronic analogs" of the most important objects of social and economic management should be the final goal.

Fourth, it is necessary to establish on a long-term basis contacts between scientific research organizations and practical organs (state committees, associations, local authorities, and so forth). A big future belongs to scientific production associations here. Appropriate practical organs should appear in the role of a social client and clearly formulate their requirements for the composition, quantity, and quality of the final scientific product. As long as practical organs are not truly interested in the results and help of scientific research and in the development of science and society, substantial reserves will remain unutilized.

Fifth, it is necessary to rapidly overcome the certain continuing lag of our model developments behind a number of Western ones, for which a whole set of measures should be realized. This includes the enlistment of capable young people in scientific research, a wider utilization of scientists from scientific research institutes in teaching at higher educational institutions, an accelerated publication of Soviet research results, and translations of foreign authors.

FOOTNOTES

1. The author knows that during the last year of his life V. V. Novozhilov intensively dealt with cybernetic aspects of the problem of developing the economic system, in particular, believing that property relations and contradictions between managed and managing subsystems are decisive. However, Viktor Valentinovich did not manage to complete his research.

2. The restoration of target functions is also possible on the basis of observations of real, not verbal, behavior.

3. According to K. Marx, philosophers only explained the world differently, but it is a matter of changing it.

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11439
CSO: 1820/136

HIGHER NONCHERNOZEM ZONE FIELD, FARM OUTPUT SOUGHT

Moscow PRAVDA in Russian 26 May 87 p 1

[Editorial: "Concerns of the Nonchernozem Zone"; "Higher Yields from Field and Farms"]

[Text] The fields of the Russian nonchernozem extend over more than 30 million hectares — one of the country's major breadbaskets and an important economic region. Field operations are now in full swing everywhere here. The seeds of the coming harvest are being sown.

Last year saw farmers here achieve increases in grain yields and meet plan targets for product sales to the state. What is important now is to consolidate gains and prepare tc make another stride forward. A great many farms have made thorough preparations for the beginning of field operations. Equipment is in better repair than it was last year, and the seed is of higher quality. Success will now, when the days really are going to make the year, depend on how well operations are organized and coordinated.

Pointing the way to success are the innovators, the top performers. Tens of thousands of brigades and links are now at work in the fields. Many of them have made the change to the cost-accounting and contract systems successfully. This means keeping to a good schedule, doing good-quality work, economizing in the consumption of resources and turning a good final result. Plans also call for intensive methods to account for substantial increases in yields. The area sown to grain which will be cultivated using these techniques is twice what it was last year. Farmers are now changing over more enthusiastically than before to the scientifically proven systems of crop rotation and zonal soil-conserving methods of cultivation.

The spring sowing is only the opening entry in the account book on the multitude of concerns for the harvest. Every agrotechnical operation has to be performed with optimum quality and at the proper time. This is the rule strictly governing the activities of the leading farmers in Kaliningrad, Tula, Orel and Bryansk oblasts. But alas, there are always going to be the failures. Everybody knows, for example, that machine downtime in the field is going to translate into setbacks in the schedule of operations and can ultimately have a negative impact on end results. Nevertheless we are seeing no small number of cases of just this type of problem. On the Kolkhoz imeni Dzerzhinskiy near Kaluga, for example. There's a lot of machinery here that looks like it doesn't have any owner. A number of farms in Yaroslavl, Smolensk

and other oblasts are behind in their operations. Experts on these kolkhozes and sovkhozes and with RAPO should move more vigorously to rectify these situations.

Farmers have been growing grain in the nonchernozem region from time immemorial. Today, however, they're no longer satisfied with the yields here, although they have risen some. For the fact is that cheek by jowl with the luscious, fertile fields will be barren areas with very poor soil. On a number of farms in Klepikovskiy Rayon in Ryazan Oblast, for example, farmers are harvesting only seven or eight quintals of grain per hectare. They are falling short of plan targets by many hundreds of tons. And there are no small number of farms like this all over the region. So the object is going to be step up the pace and get full measure from each and every field. The winter crops require particular attention. Apply top dressing on schedule and keep the weeds out. This will insure good grain yields for the upcoming harvest.

The agroindustrial complex in the Russian nonchernozem, just like the rest of the country, is taking steps to improve the operation of the economic mechanism and the structure of management and to intensify the processes of cooperation and integration. Managers and agricultural specialists have been given more authority. What is important now is for them to make the best possible use of this authority, specifically, to obtain maximum yields from the soil. The really good farmers are looking at what kind of year it is and then planting a selection of crops which will insure high grain yields and maturation on schedules which facilitate harvesting. Distortions in crop structure are being avoided and eliminated. In one particular instance, for example, it was unjustifiably decided to reduce the area sown to beans in favor of grain. It is now planned to sow peas and vetch on something like 1200 hectares, that is, one-fourth again as much as last year.

The nonchernozem zone is an area with a well-developed livestock industry, a region of pastures and meadows. And people are already thinking about the haying season. It's not all that far down the road, as they say. Farms are trying to insure themselves of reliable supplies of fodder. Particular attention is being given to quality. For it has frequently been the case that calculations show that enough feed has been prepared even though farm productivity does not rise. What accounts for this? The ration is low in protein and food value overall. Last year in Ivanovo Oblast, for example, more than one-third of the hay was spoiled to some extent. So it's time to start reporting in terms of content figures for protein, dry material and other components rather than in purely volume terms. The best farmers have adjusted their equipment so as not to lose grass. The leaders already have their silage-harvesting combines, hay mowers and stacking machines ready for operations. Many farms, kolkhozes and sovkhozes, in Pskov and Vologda oblasts are behind schedule with the preparation of this machinery. Nor are the equipment operators getting much help from the RAPO experts for that matter. The primary concern at the equipment-repair enterprise in Kostroma Rayon, for example, is to squeeze money out of the farms. It costs one-third more to have machinery reconditioned here than it does to have it done directly on the farm. And the quality of the work is not much to speak of, either.

Among the most critical objectives now is to increase yields from the improved areas of the nonchernozem. Some 4 million hectares have been improved in this area now, but the harvests here are still frequently below the target figures; reclamation

is slow to pay for itself. Some three million rubles was spent on the irrigated areas in Kotelnichskiy Rayon of Kirov Oblast, for example. The irrigation systems on Zarya, Molot and Kotelnichskiy sovkhozes, however, are not in operation. And these are not isolated instances. On a number of farms, the area's operations organizations have not done a good job in preparing for the irrigation season. Some of the systems are not in working order, and frequently there will have been no maintenance whatsoever. Kolkhoz and sovkhoz managers are not earmarking enough money to maintain these systems in proper condition. The result? Poor harvests and the sterilization of government capital investments.

Development of the nonchernozem zone should remain a focus of the efforts of RSFSR Gosagroprom. Those parts of the zone which show a tendency to stagnate would require particular attention. Agriculture has been the weak link in the rural economy of the Mordovian ASSR for quite some time now. For all practical purposes, it made no progress at all over the course of the past five-year period, and the results it turned in last year were nothing to speak of either. They have been neglecting to work the soil properly here and giving little thought to proper organization of their manpower. The agroindustrial complex in Gorkiy Oblast has yet to establish any solid basis for more rapid growth. There is no stability in grain and feed production. It is important now to lay these solid foundations for rapid growth. There is no mystery involved in breaking out of a poor-growth situation. It takes higher field productivity, the application of advanced technologies and the adoption of optimum systems of manpower organization.

This is also a period of intense activity for rural party organizations in the nonchernozem zone. Personal contact with people and the personal example of the communists are particularly important in the field. It is important to maintain a good working atmosphere and give proper attention to the living conditions of the people, provide effective moral and material incentives and conduct effective competition. The press, television and radio have important roles to play in improving conditions in the region. The horizons, the promise offered by these transformation should be shown in broader terms, and more imagination and resourcefulness should go into the coverage of the experience and accomplishments of the leaders and innovators. Shortcomings and deficiencies must be castigated.

Agriculturalists here now have their attention focused on the harvest for the second year of the five-year-plan period. In laying the foundations for this harvest, the farmers of the nonchernozem are adding their contribution to the restructuring effort and the drive to accelerate the pace the country's social and economic development.

8963
CSO: 1824/281

FIELD WORK PROGRESS, WEATHER CONDITIONS IN ORENBURG

Preparation of Seed Stocks

Moscow SELSKAYA ZHIZN in Russian 2 Nov 86 p 1

[Article by I. Gavrilenko, SELSKAYA ZHIZN correspondent: "For the New Harvest"]

[Text] Orenburg, 1 Nov. Having unloaded 3.65 million tons of grain--much more than planned--grain growers in the Orenburg area are actively preparing the seed stock of the new harvest.

Workers in Kuvandykskiy Rayon, where today 96 percent of the seeds have first-category standards, show a good example. A great deal of credit for this goes to specialists at the rayon seed inspectorate. They have provided assistance to farmers in a preliminary evaluation of seed stocks and in the organization of procurement and now keep work with seeds under permanent control.

Orenburgskiy, Belyayevskiy, and some other rayons follow the example of advanced workers. Special attention is paid to durum wheat seeds, which will be sown on more than 0.5 million hectares, basically according to intensive technology, next year.

Prolonged Cold Weather

Moscow SELSKAYA ZHIZN in Russian 10 May 87 p 1

[Article by SELSKAYA ZHIZN correspondent: "Tightening up Schedules"]

[Text] Orenburg, 9 May. The prolonged cold weather has delayed the beginning of spring field work in the oblast. This has introduced serious corrections into the initial plans of grain growers. Everywhere farms have adopted the policy of tightening up work schedules and utilizing equipment more efficiently.

These days machine operators in Ilekskiy, Sol-Iletskiy, Akbulakskiy, and other rayons are showing examples of highly productive labor.

Goal-Oriented Grain Program

UDC 338.984:633.1

Sverdlovsk URALSKIYE NIVY in Russian No 3, Mar 87 pp 2-4

[Article by A. Zelepukhin, chairman of the Agro-Industrial Committee in Orenburg Oblast, candidate of economic sciences: "Strategy of Grain Growers in Orenburg Area"]

[Excerpts] The table of the Soviet people is becoming more abundant. More vegetable dishes, fruits, berries, and dairy products are now on the menu. As before, however, bread occupies the most honorable place on it. This will always be the case. Therefore, the production of grain of the highest samples remains the key problem in farming in Orenburg Oblast.

In 1986 grain growers in the Orenburg area began the execution of the goal-oriented grain program. Its implementation requires an appropriate material and technical base and, first of all, trained people in love with land. We have both. The essence of the program lies in fundamentally improving work with land, increasing the fertile strength of arable land, and on this basis obtaining stable harvests under such complex climatic conditions of our kray.

In 1987-1990 total material expenditures in grain production will amount to more than 332.2 million rubles. The average annual gross output of grain, as compared with the 1976-1985 level, will increase by 950,000 tons. The sowing of durum wheat will expand in order to ensure the fulfillment of state plans for its procurement.

A scientifically substantiated farming system, whose development was completed last year, was intertwined into the living tissue of the program. Specialists at the Orenburg Affiliate of Volgogiprozem and scientists at the agricultural institute and the Yuzhnyy Ural Scientific Production Association took part in this important work. Zonal stations for the chemicalization of agriculture in Orenburg and Buzuluk, as well as the oblast plant protection station, which worked out problems concerning the application of fertilizers, herbicides, and toxic chemicals, contributed their share to this matter. In three of the oblast's rayons--Buzulukskiy, Sakmarskiy, and Kuvandykskiy--farming systems were developed directly by agronomists, to whom specialists at the affiliate of Volgogiprozem provided methodological help.

Today we state that the farming system in the oblast has been basically mastered and brought into conformity with the structure of sown areas. Clean fallow areas have been increased from 5 to 14 percent, occupying 890,000 hectares in 1986.

Under the conditions of the Orenburg area clean fallow is a reliable means of accumulating stable moisture reserves on fields from atmospheric precipitation. Its effectiveness has been demonstrated by long-term practice. In the last 27 years, on the average, the yield of winter rye was always 1.5 to 3 quintals per hectare higher than that of spring grain crops. An expansion of areas sown with winter crops on clean fallow had a positive

effect on total grain production. The inclusion of rye in crop rotation made it possible to increase the grain wedge and the length of the consequence of clean fallow on the water regime and to lower field weediness.

Soil cultivation technology plays an important role in the fight against weediness. According to some data, a significant decrease in the infestation of crops with perennial weeds after moldboard fallow in the steppe zone is observed for 4 to 5 years and after subsurface fallow, 2 or 3 years. Therefore, in the system of subsurface fallow cultivation the application of herbicides should be considered a mandatory method both in fall and during the spring and summer period.

In order to have high-quality fallow, special cultivators ensuring soil loosening at a varying depth within 6 to 15 cm are needed. Presently manufactured subsurface cultivators are not suitable for operation at a depth of 6 to 8 cm. It is necessary to organize a series output of knife-like cultivators, which are primitively manufactured at farm shops on the basis of KPS-4.

We must learn to strictly fulfill measures envisaged during the cultivation of grain crops according to intensive technology and to increase their areas to 1.918 million hectares by 1990. In 1986 grain crops were cultivated on 550,000 hectares according to this technology. We must strive for the following yield of grain crops: 30 to 35 quintals of winter crops per hectare, 17 to 20 quintals of spring wheat on clean fallow per hectare, and 15 to 17 quintals of spring wheat as a second crop after fallow per hectare.

A special place in farming systems is allocated to soil protective methods of work with land. In the oblast 3.4 million hectares of agricultural land are subject to some extent to water and wind erosion and 2.3 million have an erosion hazard. Therefore, soil protective cultivations are to be increased to 2,583,000 hectares by 1990. We will pay special attention to coulisse sowing on fallow fields and to the strip placement of crops, whose areas will increase to 434,000 and 74,000 hectares respectively.

In the oblast's eastern zone antierosion measures are needed on 842,800 hectares, which will comprise 57 percent of the available arable land. A substantiated evaluation of the introduced system of minimal soil cultivation will have to be given.

Soil erosion does vast damage reaching 49 million rubles annually. The condition of eroded land deteriorates more rapidly when heavy tractors and implements with active working elements are used, the number of cultivations increases, the sowing of row crops expands, and irrigation, especially along furrows, is applied. Taking this into consideration, we believe that soil protective measures should become the basis for the scientific farming system.

These measures presuppose the introduction of organizational-economic, agrotechnical, reclamation, and hydraulic methods of erosion control. As of 1977 control over their realization is organized by associates at the Volgogiprozem Institute, who note that most farms understand the importance of erosion control. At the same time, it should be noted that the oblast is

short of antierosion equipment. Therefore, in 1986 the plan for nonmoldboard soil cultivation with subsurface implements was fulfilled only 70 percent.

The solution of the grain problem largely depends on the preservation of and increase in soil fertility. In the set of implemented measures a special role belongs to a correct utilization of mineral and organic fertilizers. Experiments have established that 10 tons of organic fertilizers make up for 1.2 tons of humus. True, 3 or 4 tons of humus per hectare are lost. A total of 10.7 million tons of manure were applied to fields during the years of the 11th Five-Year Plan. As compared with the 10th Five-Year Plan, this figure increased by 4.2 million tons.

The application of mineral fertilizers also increased, that is, from 11 kg in 1980 to 27 kg per hectare of sown area in 1986.

Special attention is paid to the fertilization of grain crops cultivated according to intensive technologies. A total of 655,100 tons of mineral fertilizers, or 69 percent of the stocks allocated for all grain crops, are allotted for this in 1987-1990. The utilization of granulated phosphorus-containing fertilizers for winter and spring grain crops is envisaged on the entire area in 1990.

Foliar application of nitrogen fertilizers will become further widespread on areas sown with winter and spring wheat cultivated according to intensive technology. Trace elements, growth regulators, and pesticides will be applied jointly with them.

With the establishment of a unified Selkhozkhimiya agrochemical service in the oblast work on increasing soil fertility has become more efficient. Jointly with farms it carries out work on an overall agrochemical cultivation, primarily, of fallow fields (KAKhOP). Over the long-term period KAKhOP areas are to be increased to 200,000 hectares, of which the association will cultivate more than one-half.

The quality of work with fertilizers is improving. It is forbidden to dump construction refuse and manure at livestock sections, plans are made to financially interest livestock breeders in improving the quality of organic fertilizers, and the simplest manure storage facilities are built.

Grain seeders and special plowshares are widely used for the placement of fertilizers in the soil. Only on fields with intensive technology allocated for spring wheat local presowing fertilizer application was carried out on 152,000 hectares in 1986. The foliar method of topdressing winter crops was applied on 132,700 hectares.

However, there are still many unsolved problems. Farms are poorly provided with warehouses for mineral fertilizers and manure storage facilities. A shortage of equipment for fertilizer application is felt. Winter manure carting to fields continues to be practised.

An additional manufacture of loaders, Buran manure spreaders, sprayers, and APT-12-type dissolving units with the forces of industrial enterprises and the

agroprom is envisaged. This will make it possible to more efficiently utilize organic and mineral fertilizers and to control weeds, pests, and diseases.

Marked shifts in seed growing occurred in the oblast by the end of the last five-year plan. The preparation of first-category seeds comprised 70 or 80 percent of the entire need. The improvement in the structure of sown areas, growth of the volumes of deliveries of elite and primary seeds from the Yuzhnyy Ural Scientific Production Association, improvement in the work of specialized seed growing farms, commissioning of 30 seed cleaning and drying complexes, manufacture of pneumoseparators under local conditions, "sparing" threshing regime, and intensification of the control over and increase in the responsibility for the quality of seeds played a positive role in strengthening seed growing.

Orenburg farmers now pay special attention to the introduction of highly productive, new varieties, that is, of Saratovskaya 5 winter rye, Orenburgskaya 2 spring wheat, Saratovskoye 3 and Orenburgskoye 9 millet, and Sumchanka buckwheat. Breeders and strain testers offer promising, new varieties, that is, Orenburgskaya 10 durum wheat, Kinelskaya 4 winter wheat, and Skakun oats. Many of these varieties will occupy sizable agricultural areas by the end of the five-year plan.

The seed growing base of scientific institutions producing elite seeds, specialized seed growing farms, kolkhozes, and sovkhozes will be strengthened. Plans are made to put into operation increased-capacity seed complexes and to continue the equipment of farms with pneumoseparators, active-ventilation hoppers, covered threshing floors, mechanized warehouses, asphalted sites, and specialized flow lines for seed cleaning. Methods of intensive presowing seed preparation, that is, pneumoseparation, incrustation, and so forth, will become widespread. The establishment of insurance seed stocks has been initiated.

To increase the procurement of high-quality grain, a policy of cultivating valuable varieties of all crops has been adopted. This policy is beginning to justify itself. Last year alone the oblast overfulfilled the plan for the procurement of durum and strong wheat. A total of 1.86 million tons of grain with a plan of 1.73 million tons was delivered to the state.

Last year's results showed that the transition to intensive technologies is the correct path of obtaining high-quality grain. For example, in Adamovskiy Rayon 84 percent of the durum wheat from intensive fields contained more than 28 percent of gluten, in Dombarovskiy Rayon, 73, in Perevolotskiy Rayon, 69, in Kurmanayevskiy Rayon, 66, in Novosergiyevskiy Rayon, 63, and in Aleksandrovskiy Rayon, 60. A similar picture is also characteristic of strong wheat.

In 1980 durum wheat was cultivated on fallow fields and produced an excellent harvest. In the northern zone there was not enough heat for the formation of the necessary quantity of gluten. On the other hand, the yield of durum wheat was high.

However, imperfections were also disclosed. Thus, calculated fertilizer doses on intensive fields turned out to be small in connection with good moistening. Corrections for the quality of grain were not made in them. It was disclosed that basic fertilizer volumes should be applied during the fall period and so forth. Subsequently, we will place durum wheat on the best predecessors; in the east, on fallow and in other zones, on fallow and after winter crops.

Scientists and specialists of the Yuzhnyy Ural Scientific Production Association give much help to grain growers in the Orenburg area. During the 11th Five-Year Plan their breeders allocated 10 promising wheat, barley, and millet varieties, including the following regionalized ones: Orenburgskaya 1 wheat, Orenburgskaya 2 spring durum wheat, and Orenburgskoye 3 millet. In 1986 the institute's varieties occupied more than 170,000 hectares, including Orenburgskaya 2, more than 60,000. This variety was also regionalized in Rostov, Karaganda, and East Kazakhstan oblasts.

Close cooperation between grain growers and representatives of agrarian science, a creative attitude on the part of all rural workers to work, and the utilization of advanced experience will serve as a reliable guarantee for the fulfillment of the grain program.

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UDC 631.1:658.386

Intensive Grain Cultivation Technology

Sverdlovsk URALSKIYE NIVY in Russian No 3, Mar 87 pp 10-12

[Article by V. Belov, deputy chief of the Plant Growing Department of the Agro-Industrial Committee]

[Excerpts] The party has always paid much attention to the training and education of personnel, putting this task in the forefront. In agriculture this problem is of special significance, because the creative activity of specialists and their knowledge and ability to utilize natural conditions for the production of the highest harvests play an invaluable part. This applies primarily to agronomists. After all, the Orenburg area is a grain region. The grain wedge occupies about 4 million hectares. In five different soil and climatic zones one-half of the areas sown with grain crops is allocated for the basic food crop--wheat.

During the first year of the 12th Five-Year Plan, on the average, 15.5 quintals of grain per hectare were gathered, the plan for its sale to the state was fulfilled 106 percent, and the assignment for the procurement of silage and durum wheat was overfulfilled.

In our country durum wheat areas occupy about 15 percent of these areas in the world and the procurement of durum wheat comprises more than 25 percent of the Russian Federation's total plan. These examples also attest to the capabilities of our land and to the ancient traditions of grain cultivation skills.

It should be stated that, whereas earlier it was possible to obtain good harvests of high-quality grain owing to the plowing of new and long-fallow land, now this alternative has been virtually exhausted. In this connection the role of the agronomist--field legislator capable of ensuring optimal conditions for the growth and development of plants in his soil and climatic zone, on a specific farm, and on a certain field--rises considerably. We have an increasing number of such agronomists.

Today, when great importance is attached to the intensification of farming, from an organizer the agronomist is fundamentally transformed into a technologist. Previously, agronomists paid special attention to observing the time and quality of traditional basic and presowing soil cultivation, sowing operations, and agrotechnical methods of care of crops. One can understand them: There was no sufficient set of agricultural equipment for a broad maneuver and not enough fertilizers and pesticides were applied owing to their shortage. Now there is a different situation. During the last five-year plan the intake of mineral fertilizers has doubled. Farms receive more than 90 types of agents for the protection of plants against pests, diseases, and weeds. There is a wide set of agricultural machines for various technological purposes. It was necessary to more profoundly study the biology of phytosanitary objects, the conditions for an effective application of pesticides, and the characteristics of the effect of cultivating implements on a specific type of soil.

On the oblast's farms during the last 2 years intensive grain crop cultivation technology has been introduced on an area of more than 500,000 hectares, which, in fact, is a concentrated place for the application of the latest scientific recommendations and of the experience of advanced practice in the cultivation of high grain crop harvests.

The future of the agronomic service is seen in a creative approach to the solution of agrotechnical measures. Now, when deliveries of fertilizers and plant protection agents are growing, seed growing problems are being solved fundamentally, irrigation areas are being expanded, solonets land is being developed, the set of agricultural equipment is expanding, and petty tutelage has been virtually removed from the specialist. He is responsible for final results, experimenting in a substantiated manner and developing the variants of a specific technology, but, without fail, in coordination with scientific recommendations.

Now failures can no longer be attributed to meteorological conditions alone--they lend themselves to an analysis, which, like litmus, illuminates both imperfections and, simply, the field technologist's errors in work organization and in the selection of optimal agrotechnology. For example, last year a number of rayons did not receive the planned yield. Specialists analyzed the distribution of precipitation and temperature conditions during the vegetative period in Aleksandrovskiy, Kurmanayevskiy, Sharlykskiy, and Perevolotskiy rayons. It turned out that approximately the same conditions existed in these and adjoining rayons. The reason for the low harvests was different, that is, a great deal of weediness of arable land and an underestimate of the agrometeorological conditions formed in spring--sowing on

cold water-logged unprepared soil, as a rule, with a shallow placement of seeds. This was the reason for the thinness of crops, for the low coefficient of plant tillering, and for the lack of resistance of plants to prolonged arid conditions during the initial period of growth and development. These miscalculations were discussed at party and economic aktivs of rayons.

The turn toward the development of creative initiative on the part of specialists is one of the elements in the restructuring of the agro-industrial complex. A great deal, but by no means everything, has been done. The oblast does not have its own selection center. To regionalize varieties from without and, moreover, to select them for all soil and climatic zones is a difficult and an unreliable matter. The network of the agrochemical service is weak--two zonal stations do not manage to promptly give a description of the soil of a specific field. We try to have our own unified laboratory on every farm.

The grain production goals attained last year represent the beginning of extensive work. The time for programming harvests and for obtaining them on the basis of objective evaluations of agrometeorological conditions and invested material and technical resources is approaching. We see the agronomist of the future as a competent technologist capable of combining the experience of a production organizer with an objective consideration of harvest components. The prerequisites for this exist in the Orenburg area.

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CSO: 1824/261

BEEF CATTLE RAISING POTENTIAL UNDERDEVELOPED

Moscow SELSKAYA ZHIZN in Russian 28 May 87 p 2

[Article by M. Glinka, zootechnician: "The Beef Cattle Herd: Yesterday, Today and Tomorrow"]

[Text] Grigoriy Ivanovich Belkov, the general director of the Yuzhnyy Ural Scientific Production Association, declined to speak about meat cattle raising: it is a shame to waste intellectual energy. But at a recent all-union conference of specialists in this branch he broke his word and decided to try for the last time.

"How long will we be called upon to develop meat cattle raising and at the same time do everything to destroy it?"--this is how he began his agitated speech.

One can understand the bitterness and pain of a scientist who has devoted many years to improving meat production. Meat cattle raising is the only branch of animal husbandry that is developing, as they say, not upward, but downward. From year to year the meat cattle herd becomes smaller on the kolkhozes and sovkhozes of the country. Here are some figures.

The largest region for meat cattle raising in the Russian Federation is Povolzhye. This is the home of one of our two meat breeds--the Kalmytskaya, and the domestic type of Aberdeen-Angus cattle was created here. Povolzhye Farms have a good deal of experience in the development of specialized meat cattle raising. In Saratov Oblast, for example, in less than two five-year plans the meat cattle herd increased by a factor of 8. In Volgograd Oblast it had 123,000 head, including 40,500 cows. These figures are for 1975. But then a rapid decline began. And now only 28,700 head of meat cows are left on the Volgograd farms and 13,800 on the Saratov Farms. In Ulyanov Oblast there are only 2,200 and in Kuybyshev Oblast the number of head decreased by almost one-third just during last year--from 5,000 to 3,800, and in the Tatar ASSR they decreased by 35 percent. In Kalmykiya it would seem that nature itself intended the production of high-quality beef on the steppe pastures, but during the past 10 years they have lost almost one-fifth of the meat cattle herd and the number of cows has decreased from 80,000 to 53,000.

The situation is no better in the region of the RSFSR, which is second in terms of the amount and significance of meat cattle raising--the Northern Caucasus. The Don has always been renowned for its meat cattle herds, which included more than 300,000 head, including 110,000 cows. Many of the breeding farms for Kalmytskaya cattle are located in Rostov Oblast. But here too, last year alone they lost one-eighth of the meat cows. This is a result not of natural disaster but deliberate reduction of the branch. The oblast now has 75,000 meat cows and a decision has been made to reduce the number of head to 25,000 by 1990. This is how meat cattle raising is "developing" here.

Stavropol is considered to be a traditional zone for meat cattle raising. Good traditions go way back into the past. Last year the kray lost one-fiftn of its reproductive cattle. Next door, in the Kuban, of the 27 farms that bred meat cattle only eight remain and the number of meat cows has decreased by more than 80 percent during recent years, and things are rapidly proceeding toward elimination of the branch.

One can give many examples like this. Meat cattle herds are thinning out in Altay and Omsk Oblast, in Kurgan and Chita. They have also entered upon a course toward curtailment of meat cattle raising in the Orenburg area, where the All-Union Institute of Meat Cattle Raising is located, as well as in Yakutiya and Tyumen. Of the 46 krays, oblasts and autonomous republics of the RSFSR that breed meat cattle, only 33 are left and the number of head in the republic as a whole have decreased from 634,000 to 426,000.

In the Ukraine they initially decided to breed meat cattle on 171 farms. Here they were working on developing a new Ukrainian meat breed. By the beginning of 1986 the number of head of meat cattle was to have been increased to 800,000-850,000, including 250,000 cows. And in the future the republic's meat cattle herd was to have reached 3-3.5 million head. Alas, these plans remained only plans. By the beginning of this year the enthusiasts of animal husbandry managed to keep 15 farms on which by some miracle they maintained 29,000 head of meat cattle, including 9,000 cows. Though these farms are intended for reproduction, they are not fulfilling this role: excellent breeding animals are going for slaughter.

In Belorussia at the beginning of the 1980's they enthusiastically began to develop meat cattle raising. They developed an extensive program and intended to isolate a new breeding group and increase the number of meat cattle to 221,000 head, including 75,000 cows. Meat cattle raising actually no longer exists in the republic. More than 5,000 head of cattle of various meat breeds that were imported, on which millions of rubles of state funds were spent, have largely been degraded. In Belorussia the branch as such has disappeared.

It is far from flourishing in Kazakhstan, where previously they intended to have 2.25 million head of meat cattle and in Uzbekistan, Tajikistan and other union republics. So what is the matter, why is a branch whose destiny was to produce meat of the highest quality using the least expensive fees, in the least expensive structures and with the least expenditures of labor, then deteriorating for many years? I had occasion to discuss this with many scientists and practitioners, specialists and managers of farms, and agroprom workers of all ranks. Here are the opinions of some of them.

Fedor Fedorovich Skabochkin, director of the Ankatinskiy Sovkhoz, Ural Oblast:

"The lack of specialization is an impediment. Everything ends up on a meat sovkhoz--sheep, dairy cattle, and many other animals. Naturally, the feeds go to the more prestigious and strictly controlled branches. After all, milk is demanded every day, and meat--once a year...."

Mikhail Ismailovich Ragimov, division chief of SibNIPTIZh:

"In Tyumen they began to create meat cattle raising about 12 years ago. They organized a network of specialized farms. But a new director came to Skotoprom and everything changed. It is necessary to have strict statewide planning of the development of the branch in order to protect it from poorly thought out subjective decisions.

Aleksey Vasilyevich Cherekayev, VASKhNIL academician:

"Meat cattle raising was distributed incorrectly from the very beginning. For some reason it is associated with the zone for extensive fodder production. And the majority of meat cattle herds have been located on the worst lands and in the worst structures. This and also the existing policy of price setting, have placed the branch in unequal economic conditions."

There is one more cause, a major one. Many leaders of agriculture, soviet and party agencies are convinced that the branch is not necessary at all, that the growth of the production of beef in the necessary amounts must be achieved by improving the fattening of young animals obtained from dairy farms. Indeed, the meat reserves of dairy farms are far from exhausted. But, as scientific research shows, in order to fully provide our country's residence with meat and beef, it is necessary to have one cow in the meat cattle herd for every five cows in the dairy herd. It is precisely with this ratio between dairy and meat cattle that, in the opinion of scientists, one provides for the most effective utilization of feeds, labor and funds.

It is necessary to pay attention to one more factor. As we know, in the country there is extensive crossing of black-spotted and Simmental cattle with Holsteins. This makes it possible to increase the milk yield rapidly, but it reduces the meat productivity of the animals. Voronezh specialists have calculated that for each crossbreed steer as compared to purebred Simmental steers, the farms lose 30-40 kilograms of meat and the overall difference amounts to 15,000 to 16,000 tons. Altay specialists give the figure at 50,000-60,000 tons. It is not difficult to imagine how much the beef production decreases in the country as a whole if one takes into account that even now the herd of Holsteinized cattle numbers in the millions of nead.

In order to eliminate these losses it is necessary to accelerate the development of meat cattle raising. For this branch uses animals that produce up to 1,200 to 1,600 and more grams of weight gain a day and in a year and a half weigh 500-550 kilograms. Moreover, these results were achieved in the most varied regions and not in scientific experiments, but in the production activity of the farms.

What needs to be done to restore (now we are speaking not about developing, but about saving) meat cattle raising? Among the people who support this cause there is only one opinion--it is necessary to have a special branch of agriculture: specialized meat cattle raising, with its own plans and finances, structure of management and statistical reporting, with its own personnel and material and technical base, and, finally, with its own technology.

"If meat cattle raising is not broken down organizationally," thinks the academic secretary of the animal husbandry division of VASKhNIL, Vladimir Ivanovich Fisinin, "then it will remain in a pitiful state."

This is the major condition. Meeting it will make it possible to solve other problems as well--to expand the zone of meat cattle raising, to take measures to maintain the overall number of head of cows in the country, having transformed animals that have been removed from the dairy farms into meat herds, and to move on to the unjustifiably forgotten interbreed crossing not only for improving the quality of the fattening contingents, but also to augment the reproductive herds of dairy cattle. In order to expand the branch's genetic fund it is necessary to immediately develop work for isolating a domestic meet breed of cattle on the basis of the Simmentals.

It will be necessary to increase the number of specialized commercial farms with a complete turnover of the herd, and to develop the status of these farms, having aimed their plans in the basic direction. In any case, meat cattle farms must be relieved of any assignments for the sale of milk. It is precisely the milking of meat cows that has led to such a severe decline of the branch. There is the opinion that it is necessary to differentiate procurement and perhaps, also retail prices for beef--the products of meat cattle raising are of a much higher quality than the meat obtained when the dairy herd is fattened.

As VASKhNIL Academician A. V. Cherekayev thinks, all these and many other tasks can be carried out more quickly and with less expense to the state if the country creates an association for meat cattle raising on the basis of cost accounting [khozraschet].

All this will make it possible to considerably increase the effectiveness of animal husbandry. The Basic Directions for the Economic and Social Development of the USSR During 1986-1990 and the Period Up to the Year 2000 envision taking more complete advantage of the possibilities of natural feed land for the development of meat cattle raising and expanding the grazing of cattle in pastures.

It was noted at the Conference of the Party and Economic Aktiv of the Oblasts of Kazakhstan and the Krays and Oblasts of Siberia and the Urals held in Tselinograd in September 1985 that it is crucial for each kolkhoz and sovkhoz, each rayon and all oblast, krays and republics to give much thought to all problems associated with increasing meat resources. This is a priority task.

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CSO: 1824/278

POLLUTION OF FORESTS IN LITHUANIA CAUSES CONCERN

Vilnius TIESA in Lithuanian 19 May 87 p 2

[Article by Minister Vytautas Lukasevicius of the Lithuanian Forestry and Timber Industry Ministry: "Forest Assets Are Not Boundless"]

[Excerpts] The average volume of timber per hectare in state-owned forests is 164 cubic meters; in forests of the agro-industrial complex the average timber volume per hectare is 105 cubic meters.

Forest growth increases the timber volume by 5 million cubic meters annually (3.7 cubic meters per hectare). Republic timber assets reach 270 million cubic meters, although mature forests constitute only 20 million cubic meters of the total volume.

Air pollution is probably the greatest enemy of forests. About 6,000 hectares of forests, mostly pine and fir, have been affected in various places by air pollution.

Forests located in the vicinity of the Jonava "Azotas" industrial association are causing great concern. As a result of the discharge of poisonous chemical compounds into the atmosphere at a higher than permissible rate, more than 800 hectares of forests have died and have been felled. Attempts to replace these by pollution-resistant tree species have not been successful as yet.

Of most concern is the fact that the pollution is continuing. Trees have already begun to die within a 15-kilometer radius of the "Azotas" Association. About 4,000 hectares of forests have been affected. As a result of pollution, the timber growth has decreased in a 7,000 hectare area.

Faulty designs of the Kedainiai chemical and biochemical combines have caused forest flooding; 10 hectares of forests have been destroyed.

Because of inadequate water-flow regulation in road construction in the area of the Ignalina Nuclear Power Station, 22 hectares of forest have died.

CSO 1824/321-F

SYSTEM OF QUALITY CONTROL FOR GOODS IN RSFSR RECOMMENDED

Moscow KHOZYAYSTVO I PRAVO in Russian No 4, Apr 87 pp 62-66

[Article by A. Skripnikov, deputy chief of the RSFSR Main Administration of State Inspection of Commodities and the Trade System: "As Air is to Breathing: Certification of Consumer Goods Is Needed Now"]

[Text] In the recent past many consumer goods, including those produced by light and food industry, underwent certification, just as certification is currently carried out for output intended for technical-production purposes and for complicated household appliances that are produced to satisfy the public's needs. Certification is the final stage in the work carried out at industrial enterprises to achieve and maintain the necessary level of quality for the articles. Its chief task is to provide an objective evaluation for those achievements, and to determine new, higher requirements that must be met by the output to be assimilated, produced, or modernized. In the course of certification the output and commodities produced by industry are assigned one of three quality categories -- highest, category I, or category II.

The need for certification of output and commodities in our country was pointed out as long ago as the 4 October 1965 decree of the CPSU Central Committee and USSR Council of Ministers, No. 729, entitled "Improving Planning and Intensifying the Providing of Economic Incentives for Industrial Production." As early as the first stage of the introduction of certification, when it was being carried out on an experimental basis at only 65 enterprises in 12 union and union-republic ministries that had been changed over to what was then the new system of planning and economic incentives, it provided during the first three years (1967-1969) a national-economic benefit with a total value of 700 million rubles.

In the process of developing a domestic system of certification, the basic organizational-methodological principles for evaluating the technical level and quality of the output being certified as a whole were worked out and regulated; and a set of technical-norm documentation was created, establishing the appropriate terms and definitions, uniform requirements and conditions for certification, and the procedure for evaluating the output being certified and for assigning it a particular quality category. The basic goal in those

documents lay in attempting to encourage industry to raise the level of production not only to the limits of national-economic necessity, up also to the complete satisfying of the public's needs.

It might be fitting to note here that during the existence of the certification of consumer goods, the procedure for carrying it out remained almost unchanged, and, essentially speaking, it did not receive its proper development. Many of the enacted normative documents that pertained to that procedure, the originators of which, as well as the approving administrative levels, were Gosstandart, GKNT [State Committee for Science and Technology], USSR Gosplan, and USSR Goskomtsen [State Committee on Prices], in the practical and organizational-methodological decision did not contributed to the fundamental improvement of the quality or variety of the commodities being produced. In particular, there was no resolution of the question of their submittal for certification on the basis of production attributes, with a consideration of the mandatory findings by the trade system concerning quality (including in the highest category). The requirement that the items submitted for certification must not include models of commodities that had been manufactured under laboratory conditions using improved technological schemes and better-quality raw and other materials, with the use of improved finishing operations that were not employed during their mass production, did not become a mandatory one; mass production frequently, because of the lack of conditions and raw materials, was unable to produce output strictly in conformity with the approved standard models, as a result of which the industrial enterprises violated the established norms for technological processes, wiring, mixture, formula... Sometimes the enterprises submitted for certification in the highest category articles which were simple in design, which had failed to find purchasers because of their low consumer properties.

There is a large number of such situations. Here are only a few of them. The Smolensk Knitwear Factory submitted samples of women's underwear for certification. At that time they had the index "N" ("new item"). They were given the highest quality category. However, when that commodity entered the sales market, it failed to find any purchasers. The trade organizations were forced to lower the prices. Because of the lack of innovation, the poor color choices available, and the existence of gross production flaws, children's suits that were produced by the Leningrad Experimental Knitwear Factory were rejected; those suits had previously been given the state Quality Seal (GZK) and index "N." One-hundred percent of the women's light-weight artificial-leather overcoats that were produced by the Tyumen Garment Production Association were rejected by the trade system; they also had been given the state Quality Seal.

And here is another kind of situation. The Leningrad Skorokhod Production Association submitted women's fashionable shoes were submitted for certification. At first glance they completely met the requirements set for that kind of output that proudly bears the honored state Quality Seal. And so that seal was given to the commodity. However, in March 1984, as a result of gross production flaws, 60 percent of the articles were rejected. The technological scheme for manufacturing that model was not modified, the proper

temperature conditions were not maintained for the material from which the shoes were manufactured, the time required to execute a number of production operations was not monitored...

How, then, did it happen that output of such poor quality was given the state Quality Seal? The answer is simple: the articles that had been submitted for certification were samples that had been manufactured under experimental conditions. In series production the model just never got moving. It had the state Quality Seal taken away from it.

The situations when output was first assigned to the highest quality category but then failed to win approval in production and operation are by no means only few in number. It was no simple matter to combat this practice, since all the key positions in this matter were in the hands of industry, which, by virtue of a number of circumstances, was not very eager to stiffen the requirements made on the quality of articles that it was producing. A consequence of this was the fact that in the trade organizations a tremendous amount of commodities remained unsold because they were not popular with the public, and large amount of money, from year to year, were expended to reduce their prices.

In order to correct this situation, it was necessary to improve the system of certifying the commodities. Actually something else happened. The agencies that determined the taking of effective measures at first transferred the approval of the assigning of output to the highest quality category to the certification commissions in the union-republic ministries of light industry and RSFSR Mintekstilprom [Ministry of the Textile Industry]. But RSFSR Minlegprom [Ministry of Light Industry] went even farther. It issued an order that authorized the republic-level industrial associations to certify and recertify articles in the highest quality category. Thus, USSR Minlegprom and RSFSR Minlegprom and Mintekstilprom maneuvered their way out of certifying the output being produced by them. Gosstandart also remained aloof from this matter.

That is what created the abnormal situation in which the highest category was assigned to the largest economic agencies, whose objectivity and lack of self-interest rarely caused any doubt. The concentration of efforts in the resolution of this question failed to guarantee uniform high requirements when evaluating the quality of the articles. And the complicated procedure that was in effect then for certifying the output of light industry was developed without a consideration of its specifics, or of the fact that those commodities are subject most frequently to the influences of fashion. The multilevel process of certification and the large size of the branch and state certification commissions led to an increase in the time needed to get the articles ready from certification in the highest quality category -- from the development of the model to its receipt by the purchaser (from two to three years).

But then we became witnesses to a paradox. Without having resolved its chief task -- the production not simply of more commodities, but of commodities with high quality -- industry in 1984 achieved a complete abolition of the certification of commodities produced by light industry, and somewhat early,

foodstuffs. Obviously that was because the improvement of the system of certifying those types of commodities is a labor-intensive, troublesome matter. But go to all that trouble if certification can be completely abolished? And so that is what they did, taking, as the expression goes, the path of least resistance, and that immediately resulted in a considerable increase in the production of substandard output.

But whereas, with all the shortcomings in organizing the certification, its introduction had contributed to reducing the defective output, its abolition immediately exerted a detrimental effect upon the quality of the commodities being offered to the public. That is attested to by the inspections that were carried out by Gostorginspektsiya [Main Administration of State Inspection of Commodities and the Trade System] in recent years at industrial enterprises to check the quality of the articles being produced by them. The results of the inspects -- numerous instances of rejection of commodities -- are reflected in the following table.

Commodities	Defective output (in percentages of the total amount of commodity produced)				
	1982	1983	1984	1985	1986
Fabrics of all types	8.5	8.3	7.3	9.1	10.1
Sewn garments	11.6	9.5	10.8	10.6	11.3
Leather footwear	11.4	12.5	11.1	11.8	11.8
Knitwear	7.7	9.9	9.2	9.4	9.5
Confectionery articles	3.7	4.2	4.2	4.4	4.4
Sausage products	3.4	3.0	3.2	3.4	4.0
Cheese	4.2	3.6	4.4	4.6	5.6
Canned fruits and vegetables	9.6	10.6	10.0	10.0	11.1

To this data I would like to add that last year the RSFSR trade-system bases accumulated unsaleable output with a total value of more than a billion rubles; three-fourths of that output had been produced by enterprises in RSFSR light and textile industry.

It is well known to us workers in the trade system that both a few years ago and right now there is a rather large number of opponents to the certification of consumer goods produced by light and food industry. They exist both in the ministries of light industry at the USSR and union-republic level, and in the agencies of Gosstandart. The need for the successful resolution of the tasks posed by the Communist Party to assure a complete improvement of the quality of all the commodities produced in our national economy must be more thoroughly understood by them, and their position -- which in our opinion is an incorrect one -- must be changed. In the light of today's requirements on quality, it is desirable on a scientific basis and in

a well thought-out manner to restore the certification of articles produced by light industry and of foodstuffs as an effective means of fighting for quality and the elimination of the violations that have been occurring.

Even if not all those commodities are subject to certification, but only their basic groups, for example, overcoats, suits, leather footwear, fabrics, outer knitwear, sausage and confectionery products, canned fish, fruits, and vegetables... It is necessary, with the participation of all the interested parties (industry, the trade system, Gosstandart), to examine and to prepare jointly a new and improved procedure for certifying consumer goods and to raise the question of establishing a fundamental legal document on the level of a decree of the USSR Council of Ministers and a Statute approved by it, which Statute would regulate all the basic relations in the certification sphere, and to make that document the legal basis of the overall methodological instructions for the interested parties. In that Statute it is necessary in an unambiguous manner to stipulate that industry bears the responsibility for the quality of the commodities from the beginning of their production until certification and delivery to the trade system.

The trade organizations should be given the responsibilty for engaging in their work in its complete volume -- the study of demand; the submittal of substantiated orders for the production and delivery to them of the commodities that are needed by the public; the monitoring of their quality in the process of acceptance and storage; and the efficient trading in them. I am mentioning this because there are a few people who erroneously feel that the certification commissions should be headed by representatives of the trade system. This resolution of the question will not contribute to increasing the responsibility of industry for the qualitative indicators of the commodities being produced, or the responsibility borne by the trade system when accepting them.

It is also necessary to establish a procedure whereby the samples of output submitted for certification are only those that are in mass, series production, that have been selected by being taken directly off the production lines and in trade organizations. One must not allow the articles submitted for certification to include commodities that were manufactured with greater carefulness in experimental shops, under laboratory conditions, with improved technological schemes, out of better-quality raw and other materials on an individual basis, with the use of improved finishing operations that are not used in mass production, or commodities that are in the developmental stage, since at that stage there is a complete lack of any information concerning their operational properties.

It would be desirable for the new certification procedure to establish that, for commodities produced by light industry which are subject to the influence of fashion, the highest quality category is assigned for a period of no more than a year. In the technical-norm documentation for all consumer goods, it would be desirable to introduce requirements separately for commodities in the highest category and Category I, by establishing a system of points for evaluating the quality indicators. It would seem that it is also necessary to reduce the multilevel nature of the process of carrying out the certification, and to reduce the number of branch and state certification commissions and the

period of time it takes for articles to be assigned the highest quality category and the "N" index.

It would also be desirable, prior to the conducting of a session of the certification commission, for the interested organizations and members of the commission to be provided with the documentation for the commodities to be certified, with the attachment of the appropriate samples. And it would similarly be desirable, when they are being coordinated and approved, to have as an appendix, on a mandatory basis, the findings of the trade system concerning the customers' demand for the commodities being certified, information about the sale of the articles being considered, production orders, reports on the existence of complaints and claims dealing with the consumer properties, style, production flaws, outer appearance, finishing, packaging, grading, or other evaluation information.

It would be desirable, when approving the standard samples, simultaneously to sign the ready-made clothing cards with swatches of the fabrics, interfacings, and other materials, showing the various items, types, patterns, colors, weaves, as well as their combinations that should be an inseparable part of the sample.

Keeping in mind the shortcomings that exist in the production of commodities in light industry, it would seem to us to be correct, when assigning the highest quality category to a definite model or item, to make it mandatory to establish the maximum size of the series production and to stipulate the deadlines for introducing new models.

In order to guarantee the complete evaluation of the quality, it would seem to be necessary to establish a procedure whereby the output submitted for the assignment of the highest quality category would have to undergo trials in the trade system before being put into series production. The results of those trials would be the responses given by the consumers (wholesale bases, trade organizations, major retail enterprises) concerning the customers' demand for the output, the quality of manufacture, and its correspondence to current fashion, so that the members of the certification commissions will be informed about all the necessary evaluation indicators, and will also have information about the best foreign counterparts. The members of the state certification commissions should be provided with exhaustive information concerning the state of the international market for the commodities analogous to the ones being certified. Objective certification also requires a strict methodology for determining the procedure governing the sequence of the evaluation indicators for quality -- without overestimating the secondary ones or underestimating the basic ones. The highest quality category should be established at random for individual articles or for individual consignments that are the best out of the entire quantity produced.

And there is one more circumstance. It is necessary to raise the level of responsibility borne by the members of the certification commissions for the unsubstantiated awarding of the highest category or Category I of quality and to create greater material self-interestedness for industry in producing output with the highest quality category.

Even if the new procedure is intended also to make it a practice to certify commodities at the manufacturer enterprise itself, this will provide the opportunity for the members of the certification commissions to become completely acquainted with the work being performed by that enterprise and to exert an influence in improving it.

The taking of all steps to improve the quality of output, the improvement of the planning of the production of mass consumer goods, and the reinforcement of the interrelationships between industry and the trade system have been stipulated by decisions of the 27th CPSU Congress. The restoration of certification of the commodities produced by light industry that are needed on a daily basis by the public, as well as foodstuffs, and the improvement of the entire job of certifying consumer goods constitute the implementation of the party's course that is aimed at the complete raising of the national standard of living.

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CSO: 1827/92

RSFSR OFFICIALS ON COOPS' ROLE IN SERVICES SPHERE

Moscow SOVETSKAYA ROSSIYA in Russian 6 May 87 p 3

[Unattributed report on session of the RSFSR Council of Ministers Presidium: "Services Provided by the Cooperative"; first two paragraphs are source introduction]

[Text] What are we most discontented with? What do we curse within our hearts? The operation of our Soviet services sphere, which someone has very aptly given a sarcastic but extremely justified epithet -- unobtrusive. But still there is a shortage of the commodities that we cannot do without in our household and everyday life.

In order to improve the service system and to increase the production of consumer goods, that is, to satisfy our needs to a more complete extent, as was mentioned at the 27th CPSU Congress, it was decided to bring into that sphere additional labor and local material resources. A broad vista for initiative is provided the law that has been adopted and that has already gone into effect -- the Law of Individual Labor Activity. Cooperatives are also one of the forms by which the public can participate in the development of the services sphere and the production of consumer goods. What problems arise here and how should they be resolved? What does the accumulated experience tell us? What will be required for the broad dissemination of the innovation? All these questions were discussed at a session of the Presidium of the RSFSR Council of Ministers, the reports from which, as well as our own comments, are offered to the reader for his attention. And we do not simply offer them, but also request our readers' comments on this subject.

From the report by A. A. Kotova, deputy chairman of RSFSR Gosplan

Cooperatives are given an important role in organizing small-series production of articles that are needed in everyday life, in offering a clear-cut system of services, and in reacting flexibly to changes in demand.

As was mentioned in the documents of the party and the government, they must promote the satisfying of the public's needs by drawing additionally on the available local resources, and also by using the labor of retirees, students, and other citizens who are not engaged in social production.

I would like to note first of all that commissions or groups for working with cooperatives have been created and are operating under the ispolkoms. The sphere of the economic-production activity is being defined, and assistance is being rendered in reinforcing their material-technical base, in providing them with raw and other materials, etc. In a word, we are witnessing, as the expression goes, the self-interestedness of the local agencies of authority. And as a result more and more people want to create cooperatives with the most varied types of services. I think that by the end of the year there will be at least 3000 of them in our republic.

This is the subdivision that is planned. The number of cooperatives engaged in the production of consumer goods will be approximately 560; those engaged in public nutrition and procurement-and-trade activities, 1102; and personal services for the public, 1300. Tens of thousands of people will work in them. For the most part they will be citizens who are not employed in social production.

The volume of output to be produced -- also according to preliminary data, since we have been completely unable to check this -- will have a total value of hundreds of millions of rubles. We have only estimated this, because what do we have to compare with? We compared it with the labor performed by workers in local industry who work at home. Nevertheless, this figure exceeds the volume that one computes per person working at home.

Major work in creating various cooperatives is being carried out by Rospotrebsoyuz, and RSFSR Minbyt [Ministry of Personal Services], Mintorg [Ministry of Trade], and Minmestprom [Ministry of Local Industry].

The workers who were the first to engage in this matter were those in the republic's system of consumer cooperatives. It is planned here to create no less than a thousand cooperatives. Moreover, the administrators of Rospotrebsoyuz, without waiting for instructions "from above," as early as December of last year issued and sent to the outlying areas their own instruction documents. All one has to do is to learn how to use that time-responsiveness and meticulousness in the new situation.

Minbyt at first took a somewhat cautious attitude toward the cooperatives, but then they got in the swing of things and created them in practically all parts of the republic.

We visited the city of Kaliningrad, which is in the suburbs of Moscow, and looked at all four cooperatives which were created by them there. One is in the USSR Gossnab system and is based on secondary raw materials and production waste products: it produces consumer goods. It seems to me that it would have been more desirable to create it in the system of the Ministry of Local Industry. Why? Because in that cooperative they produce commodities that are similar to those that local industry produces: all kinds of haberdashery articles made of plastics, scraps of synthetic leather, and leatherette. This causes a large number of problems that are linked with price determination and the definition of the artistic level of the articles being produced. In Gossnab and Vtorsyrye [Union of Producer Cooperatives for the Procurement and Processing of Secondary Raw Materials] do not have subdivisions that could

resolve these problems. But the local industry system does. If the cooperative is transferred there, there will be fewer obstacles and it will develop more rapidly.

The next cooperation was engaged in personal services. We liked it a lot. Very enthusiastic people were working there. But they have not yet succeeded in finding a manager with good organizing capabilities. It would seem that, for that reason, the union of self-interested workers has not fallen apart. In that cooperative, the people render services in manufacturing especially fashionable articles, and they give advice on modern styles and the artistic styling of the articles. Everyone is a highly trained specialist. If you go there only to ask for advice -- what style suits you, what is appropriate for your appearance and for your position, and for the social situation in which you want to wear the suit or dress -- they will give you solid advice and will make a pattern for you. Or if you want them to cut out the garment pieces for you, they will be pleased to do that, and then to fit them on you. If you want them to sew them together, they will do that. And for all of these services they have a list of charges.

In addition they repair apartments and do construction work there to suit various tastes -- some are more expensive, some less expensive. The cooperative accepts anyone so long as he can perform a useful service. Do you known foreign languages? Fine, we'll put your name on file. When someone needs to have something translated, we'll call you and assign you the job. Of course, there have been blunders. People have come and said that theywere good painters and knew how to repair apartments, and asked to be included in the cooperative. They were very insistent in their request. They were not refused. But later on, when the work appeared, they had disappeared somewhere into the bushes. But that, I think, is one of the natural diseases of growth. It is necessary to take a more cautious attitude toward various kinds of applications. Or to conclude a contract. If you refuse to do the work, you pay a forfeit for breach of contract. Then a person will not offer his services casually.

The cooperative acquires its materials in the trade system and at enterprises under the city's personal-service administration. For the organization period, credit in the amount of a thousand rubles was organized at a bank. The gorispolkom provided the area for the cooperative.

For purposes of the maximum satisfying of the public's demands for public-nutrition services, the cooperative uses various additional forms of service. For example, our comrades rode out to Ulyanovsk Oblast. At the Druzhba cooperative one of the rooms is used for while-you-wait service. In addition, the cafe specializes in conducting weddings. The Petushok cafe carries out the citizens' work orders to make articles out of flour, and the trade in such articles "to go" has been organized. On days off, parents come here with their children, and family parties are held. In the cooperative's Meridian cafe, which seats 120, discotheques are held three times a week. In a word, various things are done to attract people. By increasing the number of times that people visit the cooperative enterprises, the average monthly commodity

turnover in Ulyanovsk Oblast increased by a factor of 1.5-2 with a simultaneous decrease in the number of workers.

And everything would be fine if it were not for some disappointing... I wanted to say accidental situations. But, no, they are not accidental. Apparently there are a few people who want to pursue their own selfish interests under the aegis of the innovation. I am talking about certain indecent people who are trying to dip their hand into the government's pocket. Certain excessively enterprising organizers of cooperatives, for example, create them with the hope of obtaining materials that are scarce or that are issued strictly from allocated funds. For example, high-grade sheepskins for the purpose of making sheepskin coats and similar articles. A comrade from the city of Engels, Saratov Oblast, came to visit me. He said, "Antonina Alekseyevna, I know that you allocate sheepskins. I have created a cooperative, and I would like you please to allocate to me the sheepskins that are a bit better. I have new equipment." I told him, "If we had those high-grade sheepskins, the situation would be different. We have enough governmental capacities, but we are not using them specifically because of the shortage of good raw materials. But we do have grade IV sheepskins, and we can allocate them to you in unlimited quantity. Please, drive over to our warehouses and look at them, and study the possibility of using them. We will welcome the creation of that kind of cooperative." But he never came back again. Maybe he decided to "lean on" other organizations to get the sheepskins that he needed. With people like this it is also necessary to be a bit more cautious, so that they will not lead you around on a leash.

We must not forget that the cooperatives are supposed to supplement the existing state network of services and of production of consumer goods. Therefore the attempts in a few places to transfer the former enterprises to the use of the cooperatives can occur only at first -- in order to accumulate experience and to work out various details. We must not allow this phenomenon to become a widespread one. Each contracting party has its own concerns. Otherwise we will be dealing not with the expansion of services and the increase in the quantity of commodities, but with economic and social warping: let the cooperatives engage in this, and we -- that is, the ministries and departments -- can wash our hands of it.

Where Should We Draw the Income Line?
From the statement made by V. F. Yermakov, Rospotrebsoyuz chairman

"Some of the output that the cooperatives presented here is difficult to make at our industrial enterprises. Take, for example, felt boots. They cost 50 rubles. But the retail price of felt boots at the potrebsoyuz is 20 rubles. Their quality is considerably inferior. If we made them the way that they are made at cooperatives, they would be a loss item for us."

Reply:

"It's not just a matter of whether they are more expensive or less expensive. The main thing is that the quality and their appearance are better. That is what we have to keep an eye on. It is possible now to begin to design carpets with swans and mermaids and to sell them for 5 rubles each. Of course, people

will show up and want to buy them, but why should we indulge in people's bad taste? Or what about those notorious coin banks in the shape of cats or dogs? We ought to develop in people a sense of esthetics. But at the same time we should also encourage the traditional types of output, folk handicrafts, which the consumer cooperatives have stopped produced or which they have been producing in insufficient quantity. It is difficult, of course, to give precise prescriptions here, but it is necessary to take a good look at this."

"And that's what we have been doing. Our 460 cooperatives produce output, beginning with sheepskin jackets and ending with bundles of twigs to be used in saunas. They produce the most varied types of output, including food products.

"The cooperatives engage in the fattening of hogs and rabbits, they grow poultry and fish and collect honey. It is possible that canning may develop further.

"What else has to be considered? The statute that governs cooperatives stipulates the principles of pricing and the paying of wages. It states that the cooperatives (both the production cooperatives and those engaged in public nutrition) deduct from the profits during the first year 2-3 percent, then 3-5 percent, and finally 10 percent. But certain cooperatives, especially those in public nutrition, immediately begin to yield such a large profit that they should probably be required to pay a tax of 20-50 percent.

"And what about wages? Take, for example, those same felt boots. Old men who used to make them easily at home now get together at someone's home, work there, and get 400-500 rubles each. Although this is heavy labor, I feel that wages in the area of 300 rubles would be normal."

Reply:

"You are approaching this from well-known positions that have been discussed many times: for you the price is 200 rubles, and for you it's 300 rubles, and don't go outside those limits. That's not right. When you make felt boots yourself, you pay 200 rubles for the work and then you sell them. Who is going to tell you not to do this? You're not going to make them! Because if you make them with the same high quality that the old men do, they will become a loss item for you. But why pick on people if they are doing something worthwhile? Why try to hang onto the old? Why not let it go?"

"In general, we are still testing this matter. The old habit of approaching things cautiously is, of course, in operation. We will do everything to assure that we are not stiflying initiative.

"Or take another question. A large quantity of mole and gopher skins have accumulated currently at Rospotrebsoyuz. Large-scale industry cannot engage in this because, as a result of the increase in wholesale prices, these skins are becoming loss items for retail sale. We have discussed with USSR Minlegprom [Ministry of Light Industry] the processing of them into fully acceptable raw materials for fur overcoats. We have approximately 7 million pelts. They could be used to make 1000 or 1200 overcoats. But then the next

problem that arises is the machines. The cooperatives are agreeable to undertake the sewing, but they do not have enough machines.

How Do We Determine Where the Resources Come From?
From the statement of I. G. Dudenkov, RSFSR minister of personal services for the public

We have oriented the people who are uniting into cooperatives toward engaging to a greater extent in those services to which our system as yet, as the expression goes, is not drawn too much -- for example, the untraditional or small-scale types of services. These include the construction of housing, of small homes on private plots, shoe repair, the building of garages, the making of especially fashionable clothing, the building of brick ovens, translations, and the delivery of medicines and food products.

New services also arise. A three-man cooperative has re-equipped its own Zhiguli with a Skif trailer, and have installed there a small welding unit, a gas welding apparatus and a painting apparatus. The home-made auto repair shop drives around to the garages and carries out minor repairs -- spot welding, painting, preventive maintenance for motor vehicles, and preparation of them for inspections. The service is exceptionally popular. We have currently manufactured about 300-400 of our Skifs, and will sell them on account in accordance with a procedure that has already been organized. This way the cooperatives can render motorists assistance in garages and on the road.

It has been computed that by using our system we can obtain somewhere in the area of 50-60 million additional rubles this year. Provided, of course, that we help the cooperatives in some way. The ministry has created an assistance group. It is made up of specialists in the area of finance, labor, production planning, and supply.

And now a few words about the cooperatives' material base. In this regard the ministry helps, and will continue to help, to have a few things done no longer by itself. But this must not be transformed into philanthropy. It is also necessary for the cooperatives to think carefully about the situation and to look at things soberly. At the present time their workers are speaking only about payment, about making money, and getting a lot. But, as yet, no one is concerned about creating their own material cooperative base, or about buying any equipment. And yet it is necessary to accumulate funds.

In general, I feel that the question of providing material support to the cooperatives somehow has to be defined more precisely. It has only been stated that they can purchase in the trade system everything that they need. But this implies a prohibition: nothing can be obtained from the bases, along the departmental line. But we consciously violate these prohibitions. Other the cooperatives will have to exist on starvation rations. It would be desirable for USSR Gosplan and RSFSR Gosplan to consider this problem and to provide the ministries and departments with the opportunity to allocate resources for cooperatives on an earmarked basis.

What Has to Be Stipulated in the Charter?
From the statement of V. P. Shimanskiy, RSFSR minister of trade

"Mintorg [Ministry of Trade] began to engage in this matter later than others did. As of today, 79 cooperatives are in operation in our system. The figures are changing every day. Charters have been approved and 168 more have been registered. At the present time the repairing of the areas is under way, and they are preparing for opening. Soon we shall approve the charters for 135 cooperatives. Thus, we will have approximately 400 of them.

"The commodity turnover (in April) for the cooperatives that were created on the base of 54 enterprises came to more than a million rubles. For the previous ones, the monthly turnover barely reached 500,000.

"A smaller number of people are producing and selling more output. And the services provided are much better."

Question:

"What kind of wages do they get?"

"They get high wages. I would like to give as an example the Druzhba cafe in Ulyanovsk. During the month of March, the net fund for payment of labor there reached 7672 rubles for 23 people. The earnings of the cooperative chairmen came to 575 rubles. The smallest earnings, for the bus girl, was 250 rubles.

"What questions do we face now? Passivity in a few areas. There has been a dragging out of the process of registering the cooperatives. Sometimes the causes are objective ones: the person who happens to be the head of the cooperative is a person against whom there are serious claims -- for example, he may have had a prior conviction. Caution in this regard is understandable. But sometimes there has been a delay for no special reason.

"And now a few words about the selection of the areas. For example, 20 cooperatives were approved in Leningrad, but they cannot being operating: the selection of areas for them has been dragging out. Novgorod and Kaliningrad have the same problem. We are currently having discussions with the oblast ispolkoms in order to speed up this process."

Question:

"What is the situation with regard to food products?"

"The cooperatives get all the sufficient food products -- flour, grain, sugar, etc. -- in certain instances from the bases at retail prices or buy them at stores. We are in favor of having them get the products from the bases. It is simpler to monitor things, and there will be fewer instances of all kinds of 'chemistry.' But only at retail prices, rather than at wholesale or wholesale-selling prices. As for meat and animal fats, they are purchased at the market. We do not provide them from the state trade system. Or they can be obtained in the consumer cooperative system -- at cooperative prices.

"And now a few words about the makeup of the cooperatives. We have serious questions that require solution. There are 150 retirees working in those cooperatives, 40 students, 32 housewives, and 80 persons working on the basis of labor agreements. Also others who have taken out of other spheres. There are 306 of them. That is, half. Consequently, we have a transferring of people from the state sector. That's a problem!"

Question:

"But isn't there at least some kind of regulation of the work conditions?"

"At the Druzhba cafe, for example, there is a sliding schedule. The chairman of that cooperative and certain other workers work more than 8 hours a day each. To put it frankly, we do not interfere in regulating their work."

Reply:

"Obviously you should interfere, or in any case there should be some monitoring on the part of the trade unions."

"It is difficult to establish working conditions when there is no let-up by the customers. Do you know what hullaballoo there has been about the cafe located at Kropotkinskaya, 36? They are currently making reservations for the end of May. And the prices do not disturb anyone: 15 rubles per person for dinner. That apparently is becoming something prestigious -- to pay 15 rubles for dinner. Except that one wonders for whom is it prestigious? Isn't it possible that one observes here a kind of social imbalance?"

Final Word
V. I. Vorotnikov, chairman of RSFSR Council of Ministers

Summing up the statements that were made, he remarked:

The task lies in assuring that the cooperatives are able to compensate for and to expand those forms of service, those forms of providing for the public's needs, which are not been satisfied by the state system

Then V. I. Vorotnikov dwelt on those problems without the resolution of which it is difficult to hope for any success in developing the cooperative forms of services.

"Speaking objectively," he said, "we are at the very beginning of the path. We are still traveling by touch along many directions. And it is harmful here either to show excessive caution, or excessive haste. One should not engage in a race for quantity, or try to eliminate competition: today we will open up ten cooperatives, and tomorrow 5000. That is how we can perform well, how well we have given an account of ourselves!

"The crux of the matter is the final result, that is, in assuring that the cooperatives that have been created yield a tangible effect, in assuring that they encompass as broadly as possible those forms of service where the state

system has not been doing enough work. But not for the purpose of getting a check mark in a report.

"The cooperatives have rather considerable opportunities. Even now, while the discussion is under way, we have seen revealed a number of factors that we did not even suspect. We did not even think that it was possible to find application for the efforts of the people who were uniting into cooperatives. The scraping of floors, for example, the weatherstripping of doors, the washing of windows, or the recommending of what style of dress or suit a person should select, or how to fix up an apartment or how to furnish it. Should one install a clothes rack, or should one rearrange the furniture in order to find a place for an armchair, or a place to put a magazine rack? All you had to do was to call a specialist, and for a small fee he would draw up everything for you, would show you what to do, and then you could do the rearrangement.

"Therefore I think that it was for good reason that we have invited the ministers who have not yet shown much initiative when it was a matter of cooperatives. A. G. Shumeyko, minister of local industry, would seem to have begun this job, but he has not been using all the opportunities. V. I. Popov, minister of housing and municipal services, and O. K. Zibrov, minister of civil housing construction, also have good grounds for thinking things out seriously, especially with regard to the repair of housing, and particularly with restoration and the architectural execution of buildings, where we have a rather large number of problems. It is completely possible to create cooperative groups which will carry out the precise finishing operations in the capital repair of apartment buildings, cultural structures, etc. I assume that Minavtotrans [Ministry of Motor Transportation] has a few things to think about. Not only from the point of view of hauls, but also from the point of view of repair, service, the preventive maintenance, and the preparation of the vehicles for technical inspections. We have a society of motor enthusiasts with a large number of people who, after retirement, have an excellent knowledge of the occupations required for repair operations. They can get assistants for themselves and can engage in the servicing of privately owned motor vehicles. In addition, the people who have united into cooperatives can also be used as taxi drivers. It is possible, for example, to create transportation routes or various other things. Because there is a shortage of taxis. If one wanted to, one could find for Gosagroprom [State Agroindustry], with its colossal opportunities, Minleskhoz [Ministry of Forestry], Mintekstilprom [Ministry of the Textile Industry], Minzdrav [Ministry of Public Health], Mintopprom [Ministry of the Fuel Industry], Minpros [Ministry of Education], and Minkultury [Ministry of Culture] a large number of forms for serving the public by means of cooperatives.

"It is, of course, correct that we are directing our attention to the expansion of those types of services, but it is also necessary to make sure that they encompass the entire territory of the republic and taken into consideration the climatic peculiarities and the national traditions."

V. I. Vorotnikov emphasized the importance of precise monitoring when creating cooperatives -- on the part of production workers and legal and financial specialists -- because dishonest, dishonorable people can try to hook onto any

good cause. He also directed attention to the need to take a flexible approach to the issuing of credit: to whom it should be granted, how, and for what purpose.

"But the most important thing," he emphasized, "is for us not to organize to an excessive degree the new system of services, not to put excessive restrictions on people, treating them like a bear in a den who is not allowed to come out, or, if he does come out, is immediately hit by a spear. It is necessary to give this system the opportunity to develop, and to strengthen it.

"Possibly we have made some errors here and there, and maybe we will have flaws in our work. But we should not throw up our hands. Even at state enterprises the restructuring has been proceeding in a terribly complicated manner, but individual labor activity is something that has not been studied much. It is necessary not to panic, not to go to extremes, but rather to work calmly to correct the situation.

"And the last thing that I would like to mention is accounting. It is necessary in a very careful way to think about the new system. Accounting is, of course, necessary, but it must be delicate accounting, in order to assure that it does not become a form of reporting that will frighten people away. Without any flexibility, if you will. Otherwise we shall begin immediately to take into account the areas, the number of people, the wages, and the expenses. Our accounting must be well-principled, so that we can nevertheless keep an eye on this process, but we do not need to have all-encompassing accounting at first. In this regard, Gosplan, TsSU [Central Statistics Administration, and Minfin [Ministry of Finance], together with the ispolkoms, have something that they can really do some thinking about."

Speaking about the draft version of the protocol resolution of the Presidium of the RSFSR Council of Ministers that was brought up for discussion, V. I. Vorotnikov remarked that it should be made more extensive, broader, and more objective, and it should reflect how the RSFSR is executing the decree of the party and the government concerning the development of individual labor activity, what achievements there have been, what experience we should direct our attention to, what kinds of problems arise, and what sore spots exist, where we have to do more work.

Services for You

In 15 oblasts, krays, and autonomous republics of the RSFSR, 22 public-nutrition cooperatives, with a total of more than 1000 seats, have been opened up at enterprises and organizations of Mintorg [Ministry of Trade]. Their monthly commodity turnover is more than 400,000 rubles, including the production of their own output, which is valued at 360,000 rubles. The daily turnover of their own output per seat is higher than at the usual public-nutrition enterprises.

Two hundred eighty three cooperatives nave been created in the Rospotrebsoyuz system. Of them, 144 are engaged in the production of consumer goods; 34 in public nutrition; the same number in trade-procurement activities; 8, repair

and construction activities; 64 engage in the catching of fish, the fattening of livestock, etc.

In 1986 RSFSR Minbyt [Ministry of Personal Services], together with the Kursk Oblast ispolkom, created in that oblast four experimental cooperatives to provide personal services for the public. During the course of one year they carried out more than 2000 work orders for the repairing of apartments, the building of small homes on personal plots, and garages, the repairing of motor vehicles, the plowing of vegetable gardens, hauling of goods and passengers, etc. The generalized experience of those cooperatives has been recommended for introduction in other oblasts, krays, and autonomous republics. One hundred fifty cooperatives are already in operation in the Minbyt system.

One hundred twenty seven people are working in eight cooperatives that have been created at enterprises of Minmestprom [Ministry of Local Industry]. They produce output from local raw materials and from industrial and agricultural waste products. These articles include clothing, footwear, headgear, fur articles, garments, haberdashery articles, knitwear, pottery and ceramic articles, furniture, toys, souvenirs, and household articles.

We Are Waiting for People With Enterprise

Invitation to Gourmets. One hundred twenty three public-nutrition cooperatives in 46 parts of the republic have already registered their charters. Ten of them are in Moscow Oblast, 12 in Leningrad, 9 in Krasnodar Kray, and 4 each in Perm and Omsk oblasts. Almost a hundred new cafes, snack bars, etc. will open this spring. For 1987 as a whole it is planned to create 385 public-nutrition cooperatives. According to preliminary estimates provided by Mintorg, they will increase the turnover of enterprises' own output by 80 million rubles.

Hurry Up and Grow Flowers. In the current year amateur flower-growers will be given the opportunity to sell their output in specialized cooperatives that Minzhilkomkhoz [Ministry of Housing and Municipal Services] is opening in various cities. In the summer a cooperative store, Tsvety Rossii, where the public will be able to buy flowers, will open in Moscow. Its annual commodity turnover will be 1.5-2 million rubles. In 1987, 35 cooperatives will be created in the entire housing and municipal services system, where you will be able to order work to be done on your apartments, repair on your housing, the replacement of plumbing equipment, etc.

Attention, Motorists! RSFSR Minavtotrans is planning to create cooperatives for technical maintenance and repair of transportation belonging to individual citizens. These cooperatives will be formed under the Avtotekhobsluzhivaniye associations and the motor-vehicle technical maintenance and repair stations that operate under cost accounting.

News for Gardeners. Minleskhoz is planning to open in the near future cooperatives for improving orchard, vegetable garden, and private plots, for procuring wild fruits and berries, and for developing apiculture.

Let's Talk About It.

Raw Materials and Prices. There is a serious problem about the prices of raw materials. The Ministry of Consumer Services and Rospotrebsoyuz are planning to make felt boots on cooperative principles. But the question lies in the fact that there are no retail prices for the wool. It is sold only at wholesale prices. As a result there has arisen a fear that, after buying the wool at these prices, the cooperative may receive an undeserved profit. Consequently, should the cooperative members introduce correction factors when selling the wool, and raise its price? What do the people who decided to create the cooperative, the economists, and the financial experts, think about this?

Areas. Where should one open a cooperative. Naturally, not in the street. You need a roof over your year. But complaints have been coming in: the local agencies of authority are allocating areas that require considerable manpower, time, and funds for repair. At whose expense should this be done? The government's (in which instance, how does one make settlements with the government)? Or those who have created the cooperative?

Cadres. Those cooperatives where inspectors have visited are, for the most part, headed by persons of preretirement age -- they are, so to speak, relieved managers who will not be working any more anywhere else. Why? Because they feel that heading a cooperative, and combining it with another job, is very difficult and almost impossible. If one takes their point of view, there arises the question of labor longevity, trade-union accounting, etc. If one does not share that point of view, remembering the deflection of manpower, will we obtain from the cooperatives the return that we expect? Who will take it upon himself to cut the Gordian knot, and how will he do it?

5075
CSO: 1827/95

UDC 677.004.18

MATERIAL RESOURCE UTILIZATION IN TEXTILE INDUSTRY ASSESSED

Moscow TEKSTILNAYA PROMYSHLENNOST in Russian No 3, Mar 87 pp 3-6

[Article by E. I. Razumeyev, USSR first deputy minister of light industry: "Efficient Use of Material Resources — A Factor in Efficient Production"]

[Text] The 27th Congress of the CPSU has charted a course aimed at across-the-board increases in production efficiency. In May 1986 a decree was adopted calling for fundamental improvement in the use of raw materials, fuel and energy resources and other materials over the course of the 1986-1990 period and the whole period extending to the year 2000. In conformity with this decree the USSR ministry of light industry has outlined its Ekonomiya [Economy] sector program and approved targets and a program of measures aimed at achieving economies in industry consumption of raw and other materials over the period 1986-1990. Plans call for the introduction of new, resource-saving equipment, improved manufacturing processes, automated manufacturing process-control systems, computerized systems, implementation of suggestions for improving efficiency and the practical realization of innovations and new inventions and the exploitation of practical experience gained by the other Comecon member countries.

Targets set for the 12th Five-Year-Plan period call for the USSR ministry of light industry to achieve 75 percent of its increase in manufactured output through more efficient use and maximum economy in the consumption of all types of resources.

Over the course of the past five-year-plan period the use of resource-saving technology and the introduction of new equipment enabled us to increase our production from starting materials, reduce manufacturing waste and cut material inputs (by some 2.5 percent).

The first year of the new five-year-plan period has also seen efforts to economize in the consumption of raw materials yield notable results.

In the cotton sector, all union-republic ministries (with the exception of the ministry of light industry of the Tajik SSR) have achieved economies in the consumption of cotton fiber used in the production of cotton yarn. Enterprises in Kazakhstan, Moldaviya, Armeniya and Estonia have achieved both high production levels and good results in the drive for greater economies. Among the enterprises achieving the greatest economies in cotton consumption have been the Orekhovskiy Cotton Combine, the Furmanovskaya Spinning and Weaving Factory No. 2, the Cotton Combine imeni 3d International, the Cheboksary, Donetsk and Ternopol cotton combines, the Grodno spun

thread and the Mingechaur textile combines and the Krengolmskaya Manufaktura Cotton Combine.

Enterprises in the Ukraine, Belorussia and Estonia have achieved good results in efforts to economize in the consumption of cotton yarn. Among them we find the following cotton combines: Kalinin, Orekhov, imeni 3d International, Barnaul, Ternopol, Baranovichi, Alma-Ata, Tiraspol, Krengolmskaya manufaktura and the Struninskoye Cotton Association.

Within the cotton sector of the industry, good results have been achieved in the consumption of raw materials for spinning in Belorussia, Georgia, Latvia and Estonia.

Among the enterprises achieving above-plan economies in raw-material consumption we should name the Chernogorsk Worsted Cloth Production Association, the Ivanovskiy Worsted Combine, the Tyumen Worsted Cloth Combine, the Donetsk Worsted and Spinning Factory, the Minsk Worsted Combine, the Ogrskiy Knitwear Combine imeni 50th Anniversary of the Komsomol, the Krasnodar and Tyumen Worsted Cloth Combines and the Krasnokholmskiy Worsted Combine.

Production combines within the linen sector have also achieved above-plan economies in the consumption of flax materials: the Kostroma imeni V. I. Lenin, Tulma, Vyaznikovskiy, Melenkovskiy "Krasnyy tekstilshchik," Vologda imeni 50th Anniversary of the Komsomol, Rovno, Orshanskiy, the Yelgavskiy Flax-Spinning Production Association "Latviyas Lini" and the Bolshevik Flax Spinning and Weaving Factory.

It should be noted, however, that not all enterprises within the textile and light industry sector are turning in these good performances in terms of their utilization of raw and other materials. We are still seeing a large number of enterprises which are using excessive volumes of cotton fiber. Here we would mention the Krasnodar, Kamyshin, ozerskiy "Rabochiy," Kherson and rodnikovskiy "Bolshevik" cotton combines, the Barnaul blended yarn production combine and the Makeyevskaya cotton spinning factory.

Enterprises in Uzbekistan, Georgia and Turkmeniya (Andizhan, Fergana and Gori cotton combines) have also been using excessive volumes of cotton yarn.

The Chita worsted cloth combine has been unable to meet production targets and at the same time has consumed excessive quantities of raw cotton.

It is clear that management within these ministries and enterprises has yet to establish effective control over the manufacturing processes involved here and insist upon rigorous adherence to operational timetables and improvement in the operating condition of facilities and equipment. Without this no success is to be expected in the ultimate objective involved here, that is, economies in the consumption of raw materials and semifinished products.

To insure our enterprises a stable supply of raw materials is of particular importance under the new conditions our industrial managers are dealing with today.

One way to solve the problem of reducing raw material consumption is to establish consumption norms to be imposed on the various manufacturing operations.

The 11th Five-Year-Plan period saw a number of steps taken in this direction. We approved some 400 sets of industry consumption norms and instructions (procedures) for setting norms governing the consumption of raw and other materials. The introduction of these norms has generated an economic gain of 76.6 million rubles.

Over the course of the last three years of the 11th Five-Year-Plan period, the share of scientific research industry institutes focused on the objective of cutting consumption of fuel and energy resources and raw and other materials and of developing low-waste and nonwaste manufacturing processes increased from 36 per cent in 1983 to 62.8 per cent in 1985. This has enabled us to reduce the material inputs for basic textile-industry products, that is, to decrease raw material consumption per unit of production. We have decreased, for example, the average weight of 1 m^2 of fabric: from 153 to 148 g, or 3.4 per cent, in the case of cotton fabric; from 155.6 to 139.2 g (a reduction of 11.8 per cent) for silk fabrics and from 362 to 346 g (4.6 per cent) in the case of linen fabric. We have cut our expenditures of raw material per unit of outer knitwear production from 313 to 291 g, or 7.6 per cent, from 122 to 118.1 g (3.3 per cent) in the case of knitted underwear and from 53.2 to 50.7 g (4.9 percent) for knitted stockings and hosiery.

The total volume of fabrics produced containing chemical fibers is up 16.2 percent, which represents a 1.5-fold increase in the case of cotton fabric, a 13.7-percent increase for linen fabrics and a 1.7-fold rise in hemp and jute materials.

Production of nonwoven materials containing chemical raw material has risen 2.8-fold, 1.4-fold in the case of outer knitwear and of knitted stockings and hosiery 1.3-fold. The fraction of industrial fabric containing chemical fibers has risen from 38.8 to 63.4 percent. This period also saw lower consumption of almost all types of natural fibers. The substitution of chemical raw materials for natural material in textile industry manufacturing operations generated a total economic gain of 587 million rubles.

Efforts undertaken jointly by enterprises and scientific research organizations of the USSR ministry of light industry with the objective of substituting fabrics and nonwoven materials made of chemical raw material for industrial cotton fabric has enabled us to increase actual capacities for the production of household cotton fabric by almost 400 million m.

The substitution of silk fabric made of synthetic industrial fiber for the heavy cotton fabrics which used to go into the manufacture of conveyor belts has completely solved the problem of satisfying the requirements of enterprises of the USSR ministry of the petrochemical industry for these items without adding to existing production capacity and enabled us to save substantial volumes of cotton fiber, which can now go into the manufacture of more consumer goods.

Major increases in the level of chemization must constitute the general direction for the development and improvement of the raw material base for light industry.

Plans for the 12th Five-Year-Plan period call for continued increases in the output of textiles containing chemical raw materials. It has been proposed by 1990 to increase the total volume of fabric manufactured from chemical fiber 1.3-fold, which represents a 1.4-fold increase in output of cotton fabric, a 1.2-fold rise in output

of wool and silk material, a 1.6-fold increase for linen fabric and a 2.1-fold rise in production of hemp and jute material. Plans also call for increases in the production of carpeting containing chemical raw material of 1.3-fold, a 1.4-fold rise in the output of knitted outer and under garments, a 1.3-fold increase in stocking and hosiery output and a 1.7-fold rise in the production of nonwoven goods. By 1990 we will be seeing all tulle material for curtains manufactured from synthetic fiber and thread.

Plans call for the industry to increase specific consumption of chemical fiber per 1 million rubles gross production by 7.3 percent to 20.6 tons.

Efforts will also continue in the direction of eliminating cotton from the production of industrial fabrics. Plans call for production of heavy cotton industrial fabrics to fall by 22.4 percent and output of heavy silk and nonwoven materials to rise 1.8- and 1.1-fold respectively.

Economic gains from the substitution of chemical raw material for natural material within the textile industry are anticipated to reach 3.1 billion rubles.

Successful accomplishment of this objective is going to require substantial improvement in both the quality and assortment of chemical fibers, threads and materials as well as other, auxiliary textile materials.

Plans for the 12th Five-Year-Plan period call for the USSR ministry of light industry to begin manufacturing fabrics, knitted articles and other top-quality light industrial products at reduced levels of material input. These products are going to be manufactured using new artificial materials and chemical fibers and threads of low linear density, sophisticated low-waste manufacturing processes, high-speed systems of automated equipment, robot technology and automated production-process control systems.

Plans also call for the development of fabrics and knitted material exhibiting fundamentally new structures and manufactured using lower volumes of starting material but without degraded physico-chemical or hygienic properties and new types of yarn for the knitwear industry.

A program of measures aimed at further reducing raw material consumption in light-industrial production calls for the following:
— increased production and use of low-linear-density cotton yarn for cotton fabric, knitwear, stockings and hosiery (coarse calico from 25-tex rather than 29.4-tex thread, regular calico from 18.5- and 16.6-tex instead of 20-tex thread);
— the addition of more chemical fiber to the cotton in the production of cotton yarn with the objectives of expanding assortment, enhancing the appeal of the product to the consumer, increasing the productivity of the production machines and equipment (up to 3-7 percent) and producing more yarn from the mix (0.5-2 percent more);
— expanded production of silk fabrics, knitwear, stockings and hosiery through the processing of low-linear-density chemical fiber and lower expenditures of raw material per unit of production (consumption reduced by 3 percent);
— standardized mixes to be used in the production of worsted wool yarn, which will enable us to substitute twisted chemical fiber for almost 10,000 tons of fine combed wool;

— increased use of short flax fiber in fabrics for both domestic household and industrial use through intensification of the combing process;
— analysis of practical experience with the processing of short flax fiber into consumer products gained in the Polish People's Republic with a view to maximum utilization of current above-norm excesses of this raw material in industry;
— continuation of the practice of introducing combined additives to the mix for making knitted material from all types of natural fiber with chemical materials, which will enable us to cut our consumption of raw material per unit of production by 3-5 percent;
—reduced separation losses during the cutting of fabric and knitted material and
— continued efforts in the direction of improving manufacturing processes, developing fabrics and materials with new structures and introducing new processing machines and equipment.

Plans for the period 1986-1990 call for annual reductions in raw material consumption per unit of production by 1.5-2 percent as compared with plan targets. Over the course of the five-year-plan period overall this should give us a saving of more than 5 percent in all categories of raw material.

Plans are also calling for greater use of waste material in the production of yarn and thread, nonwoven materials, knitwear and felt articles and other items of mass consumption.

By 1990 we should be reusing all secondary textile materials generated within the national economy, that is, we should develop technologies enabling us to reprocess all types of secondary raw material.

This has become a matter of particular urgency for the knitwear sector of the industry where we are seeing more than 25,000 tons of waste material from the manufacture of knitted articles, stockings and hosiery consisting of synthetic and mixed chemical fibers going completely unused. Cuttings from treated fabrics and knitted material and multi-ply material consisting of a variety of different materials are now going almost completely unused. The leading role in the search for ways to reprocess these materials belongs to the scientific research institutes within light industry.

Measures which have been outlined with the objectives of reducing consumption of raw materials over the course of the five-year-plan period and of making more efficient use of raw materials within light industry overall are making it possible for us to increase production some 60 percent in retail prices and save 25,000 tons of cotton fiber, 10,000 tons of fine combed wool and more than 5,000 tons of chemical fiber and filament.

Production of products which satisfy the demands of consumers is the really critical factor in efforts to insure efficient use of raw materials. But despite this we are still seeing the manufacture of unmarketable, unattractive products, many of which appear to be finding their final resting place on the store shelves, which is a waste of manpower, raw materials and other inputs into the production process. Random inspections are rejecting up to 9 percent of the items examined. Accordingly, because of low-quality production and failures to meet contract obligations with respect to assortment, penalties over a 9-month period in 1986 alone totalled 170 million rubles.

Analysis of the results of the 1986 wholesale fairs has shown that enterprises did not always do everything they should have to increase production of the required products. The consequence was that a substantial portion of their products remained unbought by the trade organizations.

Would it really be necessary to observe that all this has produced an enormous negative impact, both morally and materially?

Over the course of the current year we have seen 64 enterprises within the industry go over to the state-acceptance system. All production facilities have imposed more rigorous requirements with respect to strict maintenance of required production conditions and of contract discipline. The Houses of Design [Dom modeley] have now been placed on a full cost-accounting footing. Now organizationally attached to them are developmental production facilities with their own company stores, and we are creating trade-industry and science-industry complexes. Plans call for the organization at major textile production enterprises of sewing operations with the idea of making items from fabrics produced by these enterprises for sale in their own sales outlets. These steps are going to help us do a better job of studying and generating demand and make more effective use of uniform-sized scrap material and other production waste.

The decree calling for these thoroughgoing improvements in our utilization of raw material, fuel and energy and other material resources over the period 1986-1990 and beyond to the year 2000 underlines the fact that solutions to the problems involved in upgrading our raw material, fuel and energy and other material resources is a matter of utmost importance and one of the essential conditions for recharting a course of economic development on an intensive basis. The task before light industry now is to insure that economy and frugality become an integral aspect of the operation of each and every enterprise and each and every work collective.

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UKRAINIAN GOSKOMTRUD CHAIRMAN DISCUSSES WAGE REFORM

Kiev EKONOMIKA SOVETSKOY UKRAINY in Russian No 4, Apr 87 pp 3-13

[Article by N. Panteleyev, chairman UkSSR Goskomtrud (State Committee for Labor and Wages): "The Major Measure of the 12th Five-Year Plan Social Program"]

[Text] As is well known, the strategy outlined at the 27th CPSU Congress for accelerating the country's social and economic development requires that we turn as quickly as possible to intensive methods of economic management, to improved effectiveness in public production on the basis of scientific and technical progress and to the mobilization of all economic management and social factors. We mean to change over to new methods of economic management, to use cost-accounting at deeper levels, to introduce a system of self financing and self-support and to bring its principles to every primary labor collective and every employee. This will allow us to produce the greatest amount of end-product with the least outlays of manpower, material, fuel and energy and financial resources, will radically improve the quality of our output and will help us fulfill the plans for its delivery as efficiently as possible.

This is why we have no more important task today, having guided the Soviet people towards solving the major problems of the present stage of our society's development, than raising the Soviet people's level of labor and creative activity by expanding the role played by material and moral incentives. The most effective material incentive for accelerating our economic growth is that of wages, as they are one of the paramount means for directly tying the results of workers' labor to their well-being.

However, the bases and principles of the wage system now used in the national economy, which were formed during the mid-1950's, are no longer up to the tasks facing many sectors. In the first place, some of the bases of the wage system have become obsolete. For many reasons, (many of them objective), the regularizations and increases in wages and salaries of the postwar years greatly affected workers of scanty means. This smoothed out the differences in the wages paid for complex and simple labor. The wages paid to medium skilled workers were inadequate. Meanwhile, as scientific and technical progress advances, the average complexity of labor and the share of complex labor continue to increase. It should be stated in general that the level of

wages and salaries now paid are no longer in keeping with our workers' material and cultural standard of living or with the productivity or quality of their work. During 1975-1985 the relative share of wages and salaries paid at the average wage and salary level fell, and is no more than 50-55 percent in a number of sectors. But the fact is that the wage (salary) rate is the nucleus of the entire operative wage system, the basis for state regulation and the pivotal point upon which an enterprise's labor is organized.

As we know, the wage rate must accumulate a complex of stable factors from the qualitative side of labor, primarily such things as complexity, importance, intensity, significance in its spheres of application etc. Where the relative share of the wage rate in the wage structure is sufficiently high, it bears most of the burden in planning intersectorial and skill level wage differentiation. Otherwise, workers lose all interest in raising their skill levels and mastering increasingly complex types of work, there is no qualitative improvement in the setting of labor norms or in the productivity dynamic, the entire system of material incentives for labor is weakened, since the other elements of the wage system (bonuses, additional payments, raises etc.) lose their stimulative role and act merely as compensation for low wages, and as such become mechanical wage rate increases aimed at preserving the wage level needed by the economy. In recent years, there has been a worsening in the relation between the wages of workers and specialists (particularly foremen and process engineers), as well as in those of highly skilled and unskilled workers, piece-rate workers and those working on a time rate. The introduction of new production techniques has often caused a drop in workers' wages. Workers' wage levels have clearly drawn nearer within the dynamic of intersectorial relations, even though there is still a great deal of difference in the sectors' working conditions and the results of their work. This has rapidly lowered the prestige associated with working in a number of industries, primarily heavy industry, construction etc. As a result, these and certain other wage-related trends have led to a weakening in their relation to the final results, have spread wage-levelling, and have engendered a number of negative social aftereffects such as lowering the prestige of engineering work, reducing the motivation of workers to take up complex and allied jobs, to raise their skill-levels etc.

And last: as we know, for a long time the wage fund for ministries, associations, enterprises and organizations was set within absolute limits, being based for the most part on the plan-regulated number of workers and their average wage and taking into account planned increments in the production program. This approach failed to motivate the enterprises to cut back on the number of their personnel or to mobilize all their reserves to increase their labor productivity, and resulted in the wages in many enterprises and individual sectors increasing faster than labor productivity.

The January 1987 CPSU Central Committee Plenum provided a principled and generalized assessment of the state of affairs which has come about concerning the above. In his report, General Secretary of the CPSU Central Committee M. S. Gorbachev noted that outmoded administrative and economic management methods have been held to for decades. Production and labor incentives have essentially been oriented towards quantitative and extensive growth.

Violations of the most important principle of socialism--distribution according to labor--have become evident. The policy of providing material and moral incentives for highly productive labor has been inconsistent. Vast amounts have been paid out in unwarranted bonuses, as well as for various sorts of additional incentives. The wage-levelling psychology has become rooted in our consciousness. And this has had the greatest impact on workers who could have and wanted to do better work, and has simultaneously made life easier for listless workers.

Disruption of the organic tie between the degree of work and the degree of consumption not only deforms people's attitude to work and impedes growth in its productivity, but also leads to a distortion of the principle of social justice. And this is already a problem of great political significance. (1)

In other words, we need to radically reorganize the wage structure so as to see that it more precisely meets the needs of contemporary production and the economic mechanism now taking shape.

This is why many enterprises and sectors have conducted experiments to perfect the most up-to-date wage mechanism and its individual elements. In so do'ng, wages were directly coordinated with final work results on all levels, thus ensuring the realization of the principle of "earning" money for use as wages. An effective mechanism was needed which would increase labor productivity faster than wage increases. The system of incentives was meant to guarantee real benefits to the most efficiently operating labor collectives, those which most successfully meet the needs of the national economy and the population for high quality output. This is where the material motivation of the labor collectives and individual workers should be substiantially enhanced in order to reveal their potentialities and to mobilize existing reserves to increase their labor contribution, to increase the intensity at which they work and to bring into play the advanced experience of others. Wage benefits were needed for those workers doing the most to achieve the highest final results in production, i.e. not only to wipe out wage levelling (in all its forms and manifestations), but to provide even greater rewards for carrying out complex and responsible work, as workers' wages were differentiated depending on their skill-levels and the effectiveness of their work. In other words wages, which today continue to be the basic source of the population's income, were meant to embody the principle of social justice most completely and to amplify the effect of social factors on economic growth. Measures were also worked out to expand the rights and independence of enterprises and organizations in using their earned assets for wages and to increase the responsibility for their rational use.

The results of refining these principles also provided the basis for the CPSU Central Committee, USSR Council of Ministers and the AUCCTU decree "Improving the Organization of Wages and Introducing New Wage and Salary Rates for Employees in the National Economy's Productive Sectors" (1986). For the first time in a number of years a single document calls for a major reorganization of practically all wages. It interprets wages as a system which interconnects and interacts with all its fundamental elements. It is all but a major wage reform. It should be particularly emphasized that the measures outlined in

this decree far transcend a simple changeover to a new wage system and, as their scope plainly demonstrates, they comprise the most important element of the social program of the 12th Five-Year Plan. Suffice it to say that new wage rates and salaries are to be introduced throughout the entire country for some 75 million workers and white collar workers employed in the field of production in all regions of the country. The wages of each member of a labor collective--from worker to director--will relate directly to the final indicators of the collective's work overall and the personal labor contribution of each member of the collective.

The heart of the reform lies in a radically new approach to raising wages and salaries. As mentioned at the 27th Party Congress, this major social and economic measure is to be implemented within the bounds of and through the use of those assets earned by the associations and enterprises themselves.

The reform called for in the decree includes all the elements needed to set up a wage system: the wage rate system, the awarding of bonuses, the mechanism controlling additional payments and raises, and work quota setting. It calls for a joint transition to the normative method of forming assets for wages and for extensive use of brigade-level cost-accounting and collective contracts. The task of returning the role of primary regulator of wages to the wage-rate system and of increasing the proportionate share of the wage rate from 50 to 70-75 percent is considered crucial. This will ensure that wages are paid with greater consideration for workers' skill levels, the complexity of the tasks they perform and the conditions in which they perform their productive work, and will directly coordinate the rate with the individual contribution of each worker to the work done.

Workers' wages are to be raised by 20-25 percent. The recently introduced wage system provides for greater increases in the wage rate coefficients from the least-skilled crews to the highest than those presently used. At the same time, the range of the wage-scale has been greatly expanded. Thus, while keeping the wage scale for Category-6 workers in most sectors, its range has been increased no less than 1.8-fold (against the present scale of 1.58). This range will be even greater in many sectors. For example, the machine-building industry is setting up a special group of wage rates for workers--tool makers, repair workers and troubleshooters who service automatic transfer lines, machine tools with NC, flexible manufacturing systems and other complicated and highly-effective equipment. A Category-8 wage rate is being introduced for the above, as opposed to the present Grade-6. The wages for these workers will increase 45-50 percent overall.

The relation of the productive sectors' wage rates is to remain unchanged. As before, the coal industry retains the highest rates. Nevertheless, as a result of outstripping growth in the wage rates for highly skilled workers in light industry and the food industry, for example, waged in these sectors are now closer to those paid in the machine- building and similar sectors.

Cardinal changes are being introduced into the wage structure for agricultural workers. Whereas this sector previously used piecework and time-based rates as did other sectors, now each grade of worker (machine operator, stock breeder etc.) is paid the same wage, differentiated into two levels. The

first wage level is used to provide advance payments for agricultural workers throughout the year, and the second will be used to calculate their wages based on the output they turn over. This approach to structuring wages not only provides greater unity in agricultural workers' wages and improves intersectorial relations concerning said wages, but greatly strengthens the tie between their wages and the final results of their work as well, i.e., the volume and quality of the agricultural and animal-breeding output they turn over. This will undoubtedly serve as well to consolidate the labor force and boost its influx into the agriculture industry. At the same time farm directors have been authorized to increase the wages of those workers who work with particularly complex modern equipment, in inclement weather etc.

The wage structure for construction workers is undergoing substantial changes. First, a special higher wage (24 percent higher than for other occupations) is being paid for steel erection work. Overall, the wages are being reorganized so as to boost construction workers' motivation to raise their skill levels (and consequently the quality of their work). In structuring these wages, the so-called progressive wage coefficient was used to structure these rates. This means simply that the difference in the wages paid to different categories of workers was made greater.

It is important that we mention the greater unity of the wages for those workers, the complexity of whose work is practically the same throughout the sectors (for example those who repair and service production equipment). It is only in the extractive industries that the work done by repair workers will, as has hitherto been the case, be paid the same wages as basic production workers.

Under the new wage system, the intensity of a given type of labor will be taken into account exactly as it is under the present system: by fixing higher wages for piece-rate workers than for workers paid on a time rate.

The above-mentioned CPSU Central Committee, USSR Council of Ministers and AUCCTU decree provides a radically new mechanism for compensating workers for unfavorable working conditions. Instead of increased wages, it provides additional payments for working conditions. The right to these payments is not automatic, nor is it based on the occupation being included in a corresponding list, but depends on the results of an evaluation of the actual working conditions in specific workplaces. For the purpose of giving enterprises more independence regarding this question, enterprise directors have been authorized to introduce (with the agreement of the trade union committees) differentiated payments for their workers in amounts of up to 12 percent of their wages for jobs with severe or hazardous working conditions and up to 24 percent for jobs with particularly severe or hazardous working conditions. The list containing the corresponding specific workplaces and amounts of payments for unfavorable working conditions is included in the collective contract along with measures for improving the conditions. In view of the intense pace of work on conveyer, flow-production and automated production lines in light-industry and machine-building enterprises, the directors involved have decided via decree (and with the agreement of concerned trade union committees) to prescribe payments for their workers, based on the intensity of the work, and in amounts of up to 12 percent of

their monthly wage. Additional payments based on the conditions and intensity of work are calculated for the actual time spent working in said specific conditions and may not exceed 24 percent of the corresponding wage. These additionalpaymentsareincluded in the wages in all calculations of wages.

Supplementary payments are an important element in the system for organizing wages on the basis of professional skill. Under the new system, they may amount to 12 percent of the wage for Category-3 workers and respectively up to 16 percent for Category-4 workers, up to 20 percent for Category-5 workers and up to 24 percent for Category-6 workers. Aside from standardizing these amounts, it should be mentioned that the fixing of these amounts will now be coordinated, not with a worker's length of service, but with the productivity level of his work and the quality of the output he produces. During those months when a worker allows defects or a worsening in the quality of his work, he will receive no additional payments for professional skill. Should a worker systematically produce poor-quality output or fail to complete his production assignments or meet the norms for labor outlays, all additional payments for professional skill shall be completely rescinded. Moreover, in case of flagrant violations of technological discipline, a worker can have his wage category temporarily reduced (for up to 3 months), with reinstatement only after confirmation of his skill level.

Major changes are planned to stimulate operation with the least number of personnel. The new wage system places no restrictions on the amounts of additional payments for work done with the least number of workers, for doing additional amounts of work or for expanding a maintenance zone. The only thing restricted here is the amount of the wage fund saved by those wages (salaries) not paid to released workers. Since enterprises now have the right to determine for themselves the jobs and occupations their workers can combine, almost all workers can receive these additional payments with no restrictions by prescribed lists.

One of the major problems solved while reorganizing the wage structure is that of increasing the motivation of the directors, specialists and office workers to accelerate scientific and technical progress, improve the quality of the manufactured output and increase labor productivity and production efficiency. This is why directors', specialists' and office workers' salaries are being raised an average of 30-35 percent, i.e., in greater amounts than workers' wages. Designers and process engineers who are directly involved in developing new equipment will be given preference with regard to wages: their maximum salaries will be increased by 45-50 percent.

This will reorganize the entire system by which specialists' wages are set up, will ensure a direct tie between their work and the personal labor contribution made by each of them and will motivate them to raise their occupational skill levels and the intensity of their work. It is no longer absolutely mandatory that capable specialists be promoted to the position of director in order to increase their wages. This is now accomplished, first of all, by increasing the "bracket" of the salary of the post, by R40-R50 as a rule. Thus if an engineer employed in enterprises manufacturing highly complex products could earn from R115 to R150 per month prior to the introduction of the new wage system, his wages outside his job category can

amount to R140-R190 per month. In addition to this, all specialists are being categorized. If they presently hold only two positions (Engineer and Senior Engineer) in an enterprise, then 4 positions are now being introduced for them (Engineer, Engineer 2d and 1st Category, and Lead engineer). There will be 5 positions for designers and process engineers. Consequently, specialists working at one and the same workplace can advance from Ordinary Engineer earning (in the machine-building industry, for example) R130 per month to the position of Lead Specialist, with a monthly salary of R230. The pay ceiling for designers and process engineers is R260. Everything will depend on the specialist's creative abilities, his skill level and his attitude to his job.

The new plan for salaries of shop and department chiefs has been set up to make them 60-90 percent higher than the wages for workers of the highest, i.e. 6th Category. The decree calls for substantial raises in the salaries of directors and other leading enterprise workers. The position of General Director of an Association is distinguished by the fact that the salary of the post is approximately 10 percent higher than that of an enterprise director of the same category. In order to realize these points in a practical sense the decree provides that in view of the new salaries being introduced, neither the total of the average salaries nor the relation between specialists of different categories need be observed, i.e. neither departments or shops will have a permanent regular staff schedule. It has to take its shape from the skills of specific employees, since otherwise the entire idea of the professional advancement of a specialist based on his personal qualities will be formalized and ruined.

The decree calls for the system for paying raises to specialists to be brought to order. Instead of the system of raises now in effect which has little relation to a worker's specific contribution to final production indicators, raises will hereafter be prescribed only for major achievements in labor or for a time period during which work of a particularly important and responsible nature is carried out. These raises can amount to 50 percent of the salary. Thus the amount of the wage based on the salary of, for example, the highest skilled design engineer with the highest possible raise will come to R390 per month in the machine building sector.

And another change is contemplated in the determination of specialists' wages Regarding the change in the procedure for consideration of working conditions when paying workers, there is a corresponding change in the approach to these questions relative to specialists: instead of increased salaries, they will be given additional payments according to the results of workplace certification. These raises will be distributed only to shop employees (including shop chiefs) and their upper limit will be the same as for workers.

Substantial increases have been granted for specialists of such traditionally neglected services as personnel, the legal and accounting services and particularly for technicians. This will considerably streamline the administrative structure of production, actually enhance the prestige of engineering work, create opportunities for concentrating specialists in creative work and relieve them of subsidiary accounting and routine operations. At the same time, those services involved in activating the "human" factor in production are being consolidated. All sectors are putting

organizational and work-quota-setting engineers on their payrolls, as well as sociologists, psychologists and physiologists. Services related to sociology, the psychosociology of labor, social development, subsidiary private farms, and to the ensuring of output and labor quality have been set up in sectors where they had not previously been available (construction, transport, the extractive industries etc.). A single (instead of two) salary plan has been set up for office workers, whose work is practically the same in all sectors (typists, stenographers, secretaries, merchandising and commodity specialists etc.).

The new pay system provides for a wage fund being set up for every subdivision, makes the rules for changes in it (for example, the fixed standards for increasing or reducing it) and for the maximum overall number of specialists to be employed. Within these parameters and based on their having been certified, every specialist can advance through the categories and increase his salary. Naturally, the more rational the regulations used to form the wage fund, the more principled and competent will be the presentation of the certification, and the closer the rules will be related to effectiveness and the final result of the specialists' labor. All of these measures will not only improve the conditions necessary for increasing the specialists' yield, but will also create real opportunities for reducing the administrative staff, as well as for eliminating the frequently far-fetched leading positions, simplifying the administrative structure and concentrating it on the knotty problems associated with developing the national economy and specific labor collectives. This is an absolutely new approach, and has great economic as well as social significance.

Expanding the salary brackets, introducing additional positions and standardizing the mechanism for paying raises and additional payments all serve to enlarge the part played by the certification of leading workers and specialists. It is precisely through the results of certification, which is conducted no less than once every 3 years, that association and enterprise directors are granted the right to make decisions not only to promote employees, to award category (class) advancements and to raise their salaries and prescribe additional payments to these salaries, but also to reduce individual salaries to the minimum amounts (for a given position), to reduce or rescind salary increments and, where necessary, to relieve them of their positions.

Substantial changes are also underway in the indicators used to categorize enterprises, shops and sections for the purpose of placing leading workers in one or another pay group. The primary objective here is to reduce the number of small-scale inefficient enterprises, which cannot solve present-day problems or concentrate and specialize their production. Most sectors will now be using 4 or 5 salary groupings. The paramount problem of categorization is the qualitative change in the indicators. At present these indicators are oriented primarily towards increasing production volumes and raising technical levels, and towards output quality and increased labor productivity, but the indicator for personnel numbers, which has been deservedly criticized, is by and large given no consideration in the new system of categorization. In order to heighten the material motivation of leading workers to concentrate their production it is planned that when associations and enterprises and

their structural subdivisions and shops surpass the categorization indicators provided for the Group I wage group by no less than 2-fold, their directors' salaries are to be raised by 15 percent.

One of the most important features of the present wage reform is the major expansion of the rights of enterprises to stimulate highly productive work and to select wage forms and systems. Thus, improvements in bonus payments, in force since 1 January 1987 in compliance with the decree under discussion, will contain many important features. Enterprises will now independently draw up and approve the rules, indicators and conditions for awarding bonuses to workers, all categories of specialists and white-collar workers (except for association and enterprise managements).

The transition from individual payments of bonuses to collectives, i.e. brigades, sections and structural subdivisions of enterprises, is being provided for. There is admittedly a need to award bonuses to labor collectives of brigades and individual workers, first of all for meeting production (fixed by norms) targets set on the basis of section and shop plans, and for increasing their labor productivity, improving the quality of their manufactured output, assimilating new techniques and production methods and for economizing all types of resources. In keeping workers' bonuses at their maximum amounts--40 percent of the wage (piece-rate earnings) per month on the average per collective--bonuses for individual workers are not limited to maximum amounts. Distributing a collective bonus involves extensive use of the coefficient of labor participation. Thus, the overall amount of a worker's wages (including raises and additional payments) is in no wise limited. Everything depends on his labor contribution.

The system for awarding bonuses to leading workers in the enterprises of the national economy's productive sectors is being seriously restructured. The main result of the economic activity in one sector or another must be the main indicator among the basic indicators for awarding bonuses. In industry, this consists in selling 100 percent of the output by contract. No less than 50 percent of the sum total of the bonuses for the basic results of economic activity must be based on achieving this indicator. The remaining 50 percent will be added for the production efficiency indicators. Should the volume of output sales not come to 50 percent of the bonuses added for the other basic indicators, the bonuses are held in reserve and paid out when the shortfall in deliveries is made up before the end of the current year.

In order to make each individual more responsible for the results of the work of the entire labor collective, it must be established that when the wage fund is overspent for an enterprise, shop or section, the bonuses earmarked for pertinent leading workers, specialists, office workers, designers, process engineers and scientific personnel for the basic results of economic activity are held in reserve in the amount of the overexpenditure. When the expenditure is repaid during the subsequent period of the calendar year, all the bonuses held in reserve will be paid out in full.

The decree gives enterprise directors the right to introduce piecework payment, lump wage payment and other progressive wage payment systems for their white-collar workers and specialists, as delimited by their wage funds.

This has been authorized as dictated by the norms for labor outlays which have been approved in accordance with established procedure within the limits of the wage fund for these personnel categories and without any additional agreements with the higher authorities.

At the same time, directors of associations, enterprises and organizations have been authorized, on the agreement of trade union committees, to determine the types of material resources, for the conservation of which bonuses can be paid on the basis of personal accounts of said conservation, i.e. based on specific workers' contributions to resource conservation. These bonuses are not limited to the maximum amounts.

In the course of the wage reform, qualitatively new conditions are being created for the subsequent establishment of a strict relation between each worker's wages to the final results of his work. Beginning in 1987, all national economic productive sectors are being converted to normative methods of forming assets for use as wages. In so doing, the norms for forming the wage fund and the material incentive fund have been set up to be long-term and stable, and the assets earned by the enterprises will remain at their disposal for an extended period, not withdrawn or redistributed for use by inefficiently-operating enterprises, and can be directed in full for the purpose of increasing their own wages and salaries. This principle of earning assets has been retained in our own enterprises as well. It has been so set up that each category of worker shall earn assets for the new wages and salaries independently. In order for this to occur, the common wage fund must, in accordance with norms, be broken down into individual wage funds for workers, designers and process engineers, quality control service employees and all other specialists. The assets needed to introduce new wage rates and salaries into an enterprise must be withdrawn by mobilizing the enterprise's internal reserves, since no additional state subsidies are being allocated for these purposes.

Associations and enterprises, along with trade union committees, must develop and implement a large-scale complex of technical, organizational and economic measures for ensuring growth in production volumes and labor productivity, for freeing of some of our workers for other duties, for generating additional deductions for wages for improved quality in manufactured output, for radically improving the setting of work quotas, for regularizing the practice of bonuses and raises and increasing the exactingness and raising the skill levels of our employees. Increasing wages and salaries and removing many of the restrictions controlling the paying out of money to specific employees are both to be accompanied by a simultaneous toughening of control over the overall volume of assets used for wages. It should be particularly emphasized that the status of the effort to improve the setting of work norms should be the primary criterion of the readiness of enterprises and organizations to introduce the new wage system.

The introduction of the new wage system should be accompanied by a restructuring in the organization of labor and the introduction of progressive methods of economic operation. Ministry and department directors have been authorized to change associations and enterprises over to operation on collective contracts, and directors of the latter are authorized to do the

same for shops and sections, respectively. An important means for effecting savings in the wage fund is to abolish superfluous administrative sections, to consolidate enterprises organizations and their structural subdivisions and to take other measures to reduce the administrative staff.

It is apparent from what has already been said that it is difficult to earn assets for the purpose of increasing wages and salaries. It involves a very laborious, complicated and relatively long and drawn-out effort, which cannot and must not have a once-only character. This is why the new wages and salaries have been allowed to be introduced to the degree that funds are accumulated for them and to the degree that the labor collectives are ready to implement it--simultaneously, for the entire enterprise collective, or gradually, among its individual structural subdivisions and categories of workers. In all cases, the wages of plant administration staff employees and plant directors must not be raised until after the wages of all other employees have been put under the new wage system. As this occurs, the enterprise must ensure outstripping growth in labor productivity compared to the wage increases of its employees.

We need to avoid haste and the temptation to solve complex problems "with a cavalry charge" when setting the dates for introducing the new wage system, but at the same time we must not postpone it until the last year of the five year plan period. Right now we need to thoroughly prepare ourselves to implement this major social and economic measure, to review and find concrete definitions on this plane for the targets of the Trud Program, to check the preparedness of the individual structural subdivisions within the enterprise and in the base sectorial enterprises to implement the program, and only then should we change over to introducing it on a mass basis. Considering the radical novelty of the measures being implemented it is important that we do the greatest possible amount of explanatory work. Special commissions headed by directors should be set up to guide the entire effort of changing enterprises over to the new wage system, and directors of appropriate services and structural subdivisions, outstanding production workers and brigade leaders and representatives of public organizations should also be put on these commissions, which should monitor and realize the objectives of the Trud Program.

The importance of this effort was also emphasized in the decree where it notes that ministry and department directors have been made personally responsible for improving the organization of wages and introducing the new wage system. In the final analysis, any success in reorganizing the wage system will depend on the motivation and responsibility of the labor collectives in tandem with the organizing role of the ministries and departments.

One of the serious problems which must be solved in the course of improving the organization of the wage system is that of finding jobs for released employees. Under socialism, everyone has the right to a job. This is an historical achievement of our system. That is why each released employee will be placed in a job with consideration both of his personal interest and the public need. This is necessary both from the social as well as the economic points of view. First of all, enterprises should use released employees to organize multishift work and to accelerate the reorganization of production.

These employees can also be offered transitional jobs to bring up to strength those of the sector's enterprises and projects which have recently been put into operation. Undoubtedly, some concern should be shown here for creating suitable living and domestic conditions for transferred employees and their families. The remaining employees will be placed in jobs by local labor agencies and job placement bureaus. Should they need to become proficient in a new skill, they can cross-train after having concluded a labor contract, either with or without discontinuing work. Particular emphasis has been placed on seeing that their rights are not infringed upon. They must be given the opportunity to master more complex jobs or to raise their skill-levels in order to be able to operate new equipment or use new production methods. And it must be borne in mind that the enterprise director has been authorized to pay the average wage of their last work place to workers and specialists who are dropping work to be retrained and raise their skill-levels, and to pay the difference up to the average wage to workers who are being retrained without interrupting their work.

Right now a great many of the republic's production associations, enterprises and organizations have developed a large-scale effort to prepare their employees for changing over to the new wage and salary system.

These questions were discussed in great detail at the republican conference and seminar in Kiev on 13 January of this year. Ministers and department directors and their deputies, chiefs of labor and wage administrations (departments) and directors of republican trade union committees took part in the work of this conference. L. A. Kostin, first deputy chairman of the USSR State Committee for Labor and Social Problems (Goskomtrud) delivered an address at the seminar. The seminar was led by Deputy Chairman of the UkSSR Council of Ministers S. I. Gurenko.

Meetings of the four sections (industry, construction, transport and communications, and the agroindustrial complex) examined specific features of the changeover to the new wage system in these and other sectors. Leading USSR Goskomtrud specialists took part in the work done at these meetings.

Similar work is underway in all the republic's oblasts and in many of its cities and rayons.

In conclusion, we would like to emphasize once again that any improvement in the way our wage system is set up concerns all those employed in the national economy's productive sectors, while at the same time acting as a powerful factor in the mobilization of our intraproductive reserves and as a means for fulfilling the intensive plan targets of the 12th Five-Year Plan.

FOOTNOTES

1. See PRAVDA, 28 January 1987.

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PAPER'S CORRESPONDENTS COMMENT ON PRIVATE LABOR ACTIVITY

Moscow NEDELYA in Russian No 19, 11-17 May 87 pp 6-7

[Report on round table discussion about law concerning individual labor activity compiled by Nadezhda Golovkova: "The Law on Individual Labor Activity--The First Steps"; first paragraph NEDELYA introduction; capitalized passages published in bold face in original]

[Text] This state document left nobody indifferent: from some people it evoked unconditional approval, while others had doubts about whether or not we would be violating our principles. But everyone without exception had a sincere interest: something will happen, when will it start? And here the new law has gone into effect. In some places it started working immediately, and in other places it has just barely gone into effect. And although it has been in existence only for a couple of days, there is reason to ask: what have these first steps done for us? What difficulties were encountered by those who wanted to engage in individual labor? We asked our correspondents to clarify all this in eight cities of the country. Let us introduce the participants in the conversation: IZVESTIYA correspondents V. Nikolayeva (Saratov), R. Bikmukhametov (Magadan), Yu. Perepletkin (Tyumen), P. Voroshilov (Kemerovo), O. Stefashin (Karaganda), A. Karpov (Dushanbe), V. Kuleshov (Ashkhabad) and the special correspondent from NEDELYA, A. Arkadyev (the city of Pushkin in Moscow Oblast).

AND SO, THE QUESTION TO EVERYONE: WHAT DID THE FIRST DAYS OF MAY SHOW US? IF POSSIBLE, ANSWER CONCRETELY: HOW MANY PEOPLE HAVE ALREADY EXPRESSED A DESIRE TO WORK INDIVIDUALLY?

O. STEFASHIN: In Karaganda and the oblast, there are probably 650 people.

V. NIKOLAYEVA: In Saratov the precise figure is 265.

R. BIKMUKHAMETOV: In Magadan there are only 70.

A. KARPOV: According to information from the Tadzhik State Committee for Labor and Social Problems, there are about 3,000 who wish to do this in the republic.

V. KULESHOV: In Ashkhabad we have 500 people who have taken out licenses.

AND NOW, PLEASE, A LITTLE MORE DETAIL: WHAT KINDS OF ACTIVITY HAVE TURNED OUT TO BE THE MOST POPULAR? WHAT PROBLEMS HAVE COME TO THE FORE?

V. NIKOLAYEVA (SARATOV): For a city with a population of a million, 265 independent workers, of course, is not many. But one must taken into account that 2 years ago there were only 40 of them. Immediately after the law was made public workers of the financial division began to be on duty in the markets and talk with the "private workers" and they explained the essence of this document. This contact with the handicraftsmen and their customers help to explain what kinds of industries people engage in and what the population needs especially today. It turned out that the majority of them engage in sewing and weaving. But in the city there is a shortage of such shortages as repair of household equipment, television sets, motor vehicles and apartments. They have begun to look especially for skilled craftsmen from among the pensioners, students and disabled people, and simply working people who can do some extra work during their free time. So some people have already begun to work because of this.

But, Valentina Iosifovna, were there not cases like these in Saratov: a handicraft shop had barely opened when it was forced to close?--OUR CORRESPONDENT FROM THE CITY OF PUSHKIN NEAR MOSCOW, A. ARKADYEV, JOINED THE CONVERSATION.

I do not quite understand, Arkadiy Davidovich, explain....

Let us say that your color telvision set broke down andd the master who had purchased a license not only had not repaired it, but also the picture tube was broken. Understandably you will never go to that excuse for a repair shop again, but still your television set is ruined.

BUT WHAT DO YOU SUGGEST?

Actually, not I but the Pushkin Gorispolkom. Here they decided: before issuing a license or permission, they must check the level of qualifications of the person wishing to engage in ITD [individual labor activity]. Suddenly the master considers himself to be the only one who is qualified and begins to work--and soon everyone goes bankrupt or a good idea is discredited in the eyes of the clients. The special commission for questions of individual labor activity under the gorispolkolm includes specialists from various profiles and it is not difficult for them to determine whether the person actually has the skills he claims to have. If not, they advise him to train under professional masters of household repair.

THE ADVICE, OF COURSE, IS GOOD, BUT HOW DOES ONE FOLLOW IT? WHO WANTS TO TAKE ON A PERSON WHO WILL THEN LATER TAKE OVER ALL HIS CLIENTS?

They thought about that, too: the State Consumer Services Administration is introducing this kind of service: training in the occupation or increasing the qualification of skilled workers. It is possible to study in courses or individually. In both cases there is a certain payment, of course. But still the interests of the client will be reliable protected.

And I was told about another interesting initiative by the first deputy chairman of the Pushkin Gorispolkom, V. Kalachev: How they provided individual workers with orders from the population here. The City Consumer Services Administration organized a bureau of good services which gives order to the masters. Beforehand the masters, having received a license or a permit, notify the bureau of their address, the kind of services they offer, and the time they can devote to their second job.

VERY INTERESTING! AND SO WE ALREADY HAVE OUR FIRST EXPERIENCE. WELL, BUT WHAT ABOUT THE PROBLEMS?

A. KARPOV (DUSHANBE): Alas, there are plenty of them, and the first one, which, I think, is the main one for those who have decided to engage in individual labor is the problem of raw material.

AND, ALEKSANDR GERMANOVICH, HOW ARE YOU SOLVING THIS PROBLEM IN TAJIKISTAN?

Long before May, at various enterprises and organizations we conducted an inventory of production wastes which could be utilized by craftsmen. All these materials can now be acquired through a network of special stores if one presents his license or registration certificate.

We did not get off to a very good start in this!--THE WORD FROM SARATOV WAS HEARD AGAIN.

DID SOMETHING NOT TURN OUT RIGHT, VALENTINA IOSIFOVNA?

V. NIKOLAYEVA: Yes, although everything was well thought out. The ispolkom right before the May holidays organized in the Saratov "trade center" an exhibition of production wastes from industrial enterprises especially so that the craftsmen could look at them and pick out what they might be able to use in their work. But the problem is that there was nothing to choose from. Of the 200 enterprises that received an invitation to the exhibition, only 10 brought their "goods." Well, that is not enough. As a result, the assortment turned out to be fairly meager: sheet metal scraps, blank pieces for cutting nuts, measured pipes of various diameters and all possible wastes from the wood-processing industry, and that was all!

To be sure, the ispolkom has already drawn the appropriate conclusions so that the trade fair-exhibition--and it is scheduled for 16 May--should be better. All craftsmen registered in Saratov have been invited to it and each one has been given a personal invitation. They have been invited so they could not only purchase raw material, but also sell their prepared items. Incidentally, we have done a better job of arranging this: by special decision of the ispolkom the city has created a whole network of commission stores. Two of them are already in operation.

AND NOW I WISH TO ASK A QUESTION OF THE CORRESPONDENTS FROM MAGADAN, TYUMEN AND KEMEROVA. ALL OF YOU PARTICIPATED IN OUR LAST INSPECTION TOUR WHICH WAS DEVOTED TO PREPARING FOR ITD. AND, AS IT TURNS OUT, THIS PREPARATION WAS FAIRLY UNINSPIRED. WHAT IS THE SITUATION TODAY? LET US BEGIN, PERHAPS, WITH

MAGADAN: DID IT NOT SEEM STRANGE TO YOU, RAFAIL AKHMETOVICH, THAT THERE WERE NOT MANY PEOPLE IN THE CITY WHO WISHED TO ENGAGE IN INDIVIDUAL LABOR ACTIVITY --A TOTAL OF ONLY 80?!

R. BIKMUKHMETOV: It did. The more so since we are speaking about an entire oblast. But in the oblast financial administration they did not share my concern; they think that this is pretty good for a beginning and that things will pick up. But things are picking up in a strange way. I was leafing through a file of materials from the commission of the oblispolkom concerning implementation of the law on ITD. Now I will read you the information gathered in it. Here, for example, is the chairman of the Khasynskiy Rayispolkom, V. Davydov, who states: "A large amount of work is being done to reveal and account for people engaging in handicraft trades."

IS THAT THE WAY IT WAS WRITTEN: "TO REVEAL AND ACCOUNT FOR?"

Precisely: the style was as if they were looking for legal violators. In the reference sent out from Tenkinskiy Rayon it says: "We have revealed two cases of illegal employment in individual labor activity." As I understood, these two craftsmen had already been punished. The first deputy chairman of the oblast agroprom, V. Grishin, in response to a question about his readiness for ITD reported: "At certain enterprises of the APK rooms have already been equipped for personal inspection of workers."

BUT WHAT KIND OF ATTITUDE IS THAT TOWARD INDIVIDUAL LABOR ACTIVITY?

They mean that one can always find people wishing to provide individual workers with stolen goods. They have put a stop to that. This would be a healthy step but only if it is followed by another one--the organization of the supply of individual workers with everything they need so that they can legally acquire materials for their work. Unfortunately, this has not been done yet. And for the craftsman it has turned out that people are looking for them simply to hold them responsible for "unearned incomes" and not to help them arrange their activity.

HAS ANYTHING BESIDES "NOT LETTING THEM THROUGH!" BEEN DONE IN MAGADAN OBLAST, RAFAIL AKHMETOVICH? IS THERE ANY POSITIVE PROGRAM OF ACTION?

I do not think so. Cooperative activity is developing, but individual activity, with the exception of private "taxis"--not very much.

NOW IT IS YOUR TURN, YURIY IVANOVICH. HOW ARE THINGS IN TYUMEN?

YU. PEREPLETKIN: I visited again those same rayispolkoms where last time they did not even have a plan of action for implementing the law on ITD. Now, as it turned out, they have plans and--which, of course, is more important--they have actions too. There are many who wish to engage in individual labor. There was an especially large number of people in the financial division of the central rayon, so I decided not to wait until the visitors left and went in with one of them.

A fitter of the Karsk Geological Prospecting Expedition, V. Puzyrev, came into the reception room. He works by the watch method: a half month beyond the Arctic Circle, in Kharasave and for a half-month he rests in Tyumen. He is a good photographer and so he decided in order not to waste his time to spend his free days taking pictures on orders. He offered to teach this craft to anyone who wished to since he himself is quite professional and he had consulted about the possibilities of opening up a point for renting valuable optical equipment and cameras. He had many questions: how much does the license cost, what kind of accountability is there, is it possible to obtain a loan.... Having straightened everything out right down to the smallest thing, the fitter-photographer went to fill out his documents.

THANK YOU, YURIY IVANOVICH. YOUR STORY OF THE PHOTOGRAPHER REMINDED ME OF ANOTHER AREA: KEMEROVO. AN IZVESTIYA STAFF CORRESPONDENT, P. VOROSHILOV, TOLD US LAST TIME HOW THE MINER KURKOV, WHO WANTED TO WORK AS A PHOTOGRAPHER IN HIS FREE TIME, WAS GIVEN TO UNDERSTAND THAT THERE WAS NO NEED FOR THIS KIND OF SERVICES IN KEMEROVO. IT WOULD BE INTERESTING TO KNOW WHAT THEY THINK ABOUT THAT NOW? WHAT DID YOU FIND OUT, PETR SEMENOVICH?

P. VOROSHILOV: Of course! After the article in NEDELYA they decided to give him a license. True, again with restrictions. Instead of the boring "posed" portraits Kulkov wanted to provide photographs of happy parents with children which would reflect the endless diversity of moods of the young people. He asked for access to the foyer of a puppet theater, a kindergarten or simply anyplace or street. But he was told to limit his activity to his own apartment. That is absolutely the wrong thing! It turns out that he had to put the young client in a chair and say the same old words: "Watch the birdie!" And his wife was categorically against having their home turned into a public place.

WHY DO THE KEMEROVO AUTHORITIES IMPOSE SUCH RESTRICTIONS?

The instructions that regulated the work of home photographers before the publication of the law concerning individual labor activity. These instructions, they say, were not abolished by anyone. So Kurkov is waiting for a clarification before he takes out a license. He is in no hurry--he earns enough in the mines. I wish to draw attention to a reserve which is practically not being utilized in our oblast. This is a half-million pensioners who live in the cities and villages of Kemerovo Oblast. And now the pension will be paid without deductions in spite of additional earnings. But to do this it is necessary to contact the pensioners and make them interested. Incidentally, there is something new! We have been given permission for credit: the bank can issue a craftsman up to 2,000 rubles for supplies. One need only take the prepared products to the market or the commission store where the prices are set according to an agreement.

IF THAT IS ALL FOR YOU, PETR SEMENOVICH, WE SHALL HEAR FROM KARAGANDA--WE ARE BEING CALLED BY THE IZVESTIYA STAFF CORRESPONDENT, O. STEFASHIN. HELLO, OLEG ALEKSANDROVICH!

I shall begin in order. It seems that in Karaganda there was an exhibition in which they showed items made by local craftsmen. There were all kinds of

things there! Hand-woven rugs, decorations made of finishing stones, native needlework, household objects made of carved wood and ceramics--it would be impossible to list everything. Many of the participants in the exhibition did not conceal the fact that they were quite capable of arranging to produce their products for a larger market. At that time their "hints" received no response, since there was no time to deal with craftsmen. But now, it seemed to me, workers in local authority agencies have probably begun to look for these people in order to gather them all together under the banner of ITD. But....

I went to one responsible comrade and then to another, going down the bureaucratic chain from the oblispolkom to the rayispolkoms, but nobody could tell me how many people in our oblast want to engage in individual labor.

WHERE DID YOU GET THAT FIGURE YOU REPORTED AT THE BEGINNING OF THE INSPECTION TRIP--650 CRAFTSMEN?

I was given that tricky figure in the oblast financial division. And it is tricky because it is old--that is how many people in the oblast engaged in handicraft industries previously. In the financial division they think that all they have to do is reregister them and the report will be completely up to date and they will work conscientiously. Incidentally, I look through lists of these presumed individual workers--and found out what they specialize in: they sew clothing, knit, and manufacture paint brushes and mailboxes. That is probably all. The lack of interest in individual workers on the part of the local soviets has led to a situation where many questions which, as I have now found out from the inspection trip, which had already been resolved in other cities, we have put off until "later." We have not thought about the possibilities of providing "handicraft shops" with raw materials, instruments, or the necessary equipment. Nobody, with the exception of the public catering workers, has even tried to determine the availability of premises suitable for rent.

PERHAPS THIS IS EXPLAINED BY THE FACT THAT THE CITY SERVICE IS AFRAID OF COMPETITORS?

It would seem that that is the case. The chief of the Oblast Consumer Service Administration, G. Rudenko, in any case, thinks that ITD will take people away from him. "The outflow has already started," he said. "Recently we lost five of our best bootmakers--they returned to their own little booths, where I had got them from at one time. And almost all of the photographers have decided to go out on their own."

After the conversation with him, I was especially interested in the rayispolkoms. Indeed, previously many consumer service workers until recently did not want to go on pensions because they did not want to abandon their beloved work. But now they have all suddenly decided to. The ispolkom commissions that register individual workers, of course, will not reject them: after all, it is simpler to issue a license to a person who has come of his own accord than to search for and then persuade students and pensioners who have a certain length of service.

Permit me a couple of words!--THIS WAS FROM THE TELETYPE IN THE CITY OF DUSHANBE.

A. KARPOV: I can understand very well the misgivings of the consumer service workers of Kazakhstan. For example, leaders of local industry are seriously concerned about the outflow of working hands. The fact is that home labor is utilized extensively at enterprises of the branch. In keeping with the agreements that have been concluded, they manufacture products in which one factory or another is interested. That is the way it was before the first of May. When the law concerning the ITD went into effect, women working at home were given the broadest opportunities to do work that is more advantageous for them.

SO WHAT, INDIVIDUAL LABOR SHOULD BE ADVANTAGEOUS. HOW ELSE CAN ONE PROVIDE THE MARKET WITH SUFFICIENT GOODS AND SERVICES? THIS MEANS THAT PRODUCTION MUST TAKE INTO ACCOUNT THE POSSIBILITY OF AN OUTFLOW OF LABOR FORCE AND PROVIDE INCENTIVE FOR PEOPLE OF PENSION AGE TO PARTICIPATE IN PUBLIC PRODUCTION. WHAT OTHER PROBLEMS DO YOU HAVE?

The cost of the license. It was set, as we know, on the basis of figures concerning the average annual income of workers at state enterprises of the corresponding branches. Here, of course, they took into account the fact that a person will be working "for himself" part-time. But still the sums for the licenses are sometimes rather strange. For example, a license to repair clocks costs 800 rubles a year and for a "personal taxi"--700. Of course people are surprised, for both the labor expenditures and the incomes in these two kinds of individual activity are incompatible.

THIS IS SOMETHING NEW. OF COURSE, TIME WILL MAKE ITS ADJUSTMENTS. AND IT IS DOING THAT EVEN NOW. AS WE LEARNED, IN TURKMENIA THEY HAVE APPROACHED THIS MATTER MORE FLEXIBLY. BUT LET US GIVE THE FLOOR TO ASHKHABAD. VLADIMIR PETROVICH, TELL US THE ESSENCE OF THE LICENSE POLICY IN THE REPUBLIC?

V. KULESHOV: At first we stipulated the possibility of revising the cost of the license so that, on the basis of the more precise amounts of income, it would be possible to step either forward or backward. The licenses were set also for certain kinds of activity which were previously prohibited. For instance, there have long been debates: should we or should we not permit the baking of Churek cakes which are traditional for Central Asia? This question has now been resolved simply. The cost of a license is 90 rubles a year. If you put 25 kopecks a day in the cash register, go ahead and bake them, only observe the sanitory norms. In general the local authorities are flexible. This is especially necessary for us since, for example, in Ashkhabad 14 percent of the population were outside public production and in other cities of Turkmenia this percentage was even higher.

People must be attracted and interested--herein lies the essence of the policy.

OF COURSE THE SEVERAL DAYS IN WHICH THE NEW LAW HAS BEEN IN EFFECT DO NOT MAKE IT POSSIBLE FOR US TO DRAW ANY SUBSTANTIATED CONCLUSIONS. IT IS TOO EARLY. AND IN ANY CASE THE SITUATION IS MORE OR LESS CLEAR. WE HAVE THE FIRST

BEGINNINGS OF EXPERIENCE AND PROBLEMS. AND IN PLACES WHERE THE PREPARATORY WORK WAS DONE PROPERLY, THERE ARE RESULTS. AND VICE VERSA.

BUT WE ASKED THE DEPUTY CHAIRMAN OF THE CONSOLIDATED DIVISION FOR LABOR AND SOCIAL PROBLEMS OF THE USSR STATE COMMITTEE FOR LABOR AND SOCIAL PROBLEMS, ARSENIY BORISOVICH MATVEYEV, TO COMMENT ON THE REPORTS FROM OUR CORRESPONDENTS.

I must say that the problems revealed during the course of the inspection trip, of course, do not exhaust them. For example, it is already clear that it is impossible to do certain kinds of work in an apartment--one must not bother the neighbors. This means that special premises are needed. In Moscow recently there was a certification of nonresidential premises--it was decided to clarify what can be offered to the individual workers. Unfortunately, so far not enough premises suitable for this purpose have been discovered. This problem is typical of many cities. One must think about how to solve this problem and how to help people exercise the rights granted to them by the law. This is our major task and local soviets must act in this direction. It does not seem to me that there is any reason to fear an outflow of working hands from public production into the "private" sector. When it comes right down to it, the people are not flying to another planet; they intend to provide the population of the same cities with goods and services which are now in short supply. It is simply illegal to try to keep them from exercising their right to work in the time free from their basic job or to go on pension when their time has come. Everything here should be regulated by the market for goods and services itself. When it is saturated the individual workers will obviously have to lower their prices, and then it will be more advantageous for some of them to work in state enterprises.

Now about the prices for licenses. They differ in various regions of the country. This was done deliberately--depending on the market conditions, on the demand for goods and services, and also depending on the incomes brought in by individual labor. In certain cases the prices can be revised in observance of the principles of social justice.

As concerns such an impediment as outdated instructions, for example, for photography work, the law is above any instructions. And if they stand in contradiction to it, they should be brought in line with the law. I am saying this especially for those workers of ispolkoms who out of ignorance impede more complete implementation of the law. The state is interested in the individual labor of the citizens and in encouraging it. One must be guided by this.

OUR INSPECTION TRIP HAS ENDED. WE UNDERSTAND QUITE WELL THAT NOT EVERYTHING WILL SUCCEED IMMEDIATELY. THERE WILL BE DIFFICULTIES AND THERE WILL PROBABLY ARISE CERTAIN PROBLEMS WHICH WE DO NOT EVEN SUSPECT TODAY. BUT THINGS ARE DIFFICULT AT THE BEGINNING! THE MAIN THING IS CLEAR: WE ARE DEVELOPING A NEW DIRECTION OF OUR ECONOMY WHICH TODAY IS CRITICALLY IN NEED OF OUR COMMON SUPPORT.

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RSFSR LABOR CHAIRMAN INTERVIEWED ON PRODUCTIVITY LOSSES

Moscow SOVETSKAYA ROSSIYA in Russian 4 Jun 87 p 1

[Interview with A. P. Blokhin, chairman of the RSFSR State Committee for Labor (Goskomtrud), by SOVETSKAYA ROSSIYA correspondent V. Shilov: "Return the Lost Workday"; date and place not specified; first paragraph is source introduction]

[Text] Measures for improving the use of working time and strengthening labor and industrial discipline in industry and construction were examined at the regular session of the RSFSR Council of Ministers Presidium. What is the nature of the problem, and how can it be dealt with? SOVETSKAYA ROSSIYA's correspondent and Goskomtrud Chairman A. P. Blokhin discuss this subject.

[Question] Anatoliy Prokopyevich, the prevailing opinion with respect to the results of last year's work is we have succeeded in obtaining a marked increase in the growth rate of industrial labor and production volume thanks to a strengthening of labor discipline and order. According to official statistics, losses of work time as a result of downtime, violations of labor discipline, and authorized absenteeism were reduced by 25-30 percent. On the average, each worker is supposed to devote 230 days to production. Losses, on the average, have successfully been reduced to a single day per person. That would seem to be rather small.

[Answer] I think that such a complacent evaluation is entirely unjustified and even harmful. In part we have been amending record-keeping practices and not the facts of the matter. On-site monitoring indicates that the actual losses of work-time in many enterprises are substantially higher, sometimes by as much as 10 times. Experts estimate, in fact, that every year about a million persons are excluded from social production, there are production shortfalls worth several billions of rubles, and the volume of construction and installation work is underfulfilled by 2 billion rubles. Such is the scale of our lack of organization, our slackness in discipline, our slipshod practices. The experts further estimate that making efficient use of work-time can raise labor productivity by 10-15 percent. It is not surprising that an urgent and insistent note was struck in discussion of this problem by the RSFSR Council of Ministers, as we were able to observe.

We must begin, I believe, by presenting a true picture of the use of work time. We must rid ourselves of errors based on false record-keeping,

deception, and lack of control. A group of specialists from RSFSR Goskomtrud with the participation of workers from local soviets and trade-union organs not long ago conducted a survey of several dozen enterprises in various branches of industry. The facts revealed in most of them a reckless disregard for the use of work time. In many production facilities there are no records or analyses made of the causes of idle production time by those responsible, beginning with the shop foreman and section chief and going on up to the chief mechanic and those in charge of the pay section and other administrative services. For example, at the Ulan-Ude confectionery factory, according to written records, shift idle time because of equipment failure since the start of the year increased from 18 to 35 man-days. The facts, however, disclosed by the check indicated downtime several times as great.

As analysis has shown, the most widespread cause of shift idle time is the unsatisfactory condition of equipment and various kinds of malfuctioning, breakdown and accident. In the RSFSR Ministry of Construction Materials' lime pit in Pskov, we encountered an amazing fact: each piece of equipment there is idle an average of 273 hours a year, and the metal repairmen invariably receive remuneration for downtime. That is, the repair service is on a payment-for-time system. If only they were paid for the hours that the equipment stays in operation, the metal repairmen obviously would perform with greater alacrity. It must be acknowledged that the separation of the material incentives of workers and repair services from the final results in shops and sections is everywhere to be seen.

[Question] Here we have come to the crux of the problem, it seems to me, of raising labor efficiency. Where a person's wages depend on the final, socially useful result of his labor, there is as a rule more order, more organization, and stronger engineering and production discipline. The key to this is the contract, including cost accounting and self-financing. In the contruction collectives, for example, labor productivity has more than doubled working on a contract basis. The same kind of thing has been happening at the Ramenskoye and Kuban APK's, and elsewhere, where they have been working under conditions of complete accountability. The Kaluga Turbine Plant has been operating on a regular basis with firmly established work brigades, but at the Presidium meeting you cited a disturbing figure--that only 4 percent of the brigades work on a contract basis with wages based on results. This is the underlying reason for the weak performance of the brigade form of labor organization. Why does this happen? And what should be done about it?

[Answer] Let me offer an example in response to this question. Last year the contract brigade of A. Korobovskiy in the PMK-1 [Mobile Mechanized Column] of the Kurskmelioratsiya Association remained idle for a total of 1.5 months because of a failure in the delivery of construction materials, so that it underfulfilled the task set for the year for construction and installation work, according to its agreement with management, by 250,000 rubles. What responsibility did its partners bear? The workers suffered materially. The management, however, which did not honor its contractual obligations, distanced itself by making references to "objective causal factors" after

having received its pay in full. The example is a typical one. Workers who do not have confidence in the commitments of the management enter into contracts with great trepidation. And the management, in order to spare itself from insistent demands from below, will not force an end to contract negotiations. The conversion to new conditions of management, cost accounting, and self-financing to bring about the economic and social development of enterprises is going to force collectives and administrations to make more energetic use of such means of increasing effectiveness as the strengthening of discipline, order, and organization.

[Question] Does that mean that we should acquire patience and wait for the new economic mechanism to impose discipline and organization and for the economic levers to start working at full force?

[Answer] By no means. We must not weaken our attention to problems of discipline and order. Meanwhile, as viewed from the standpoint of the central ministries and departments, advantage is being taken of the lack of control, and in places they are resorting to virtual connivance with slipshod practices. At the Kurgan Grain Combine No. 2, for example, according to the data reported for 1986, 92 persons were absent from work; whereas on the basis of basic documentation it was established that in fact 316 persons had been absent without authorization. Here there were 31 cases of showing up for work in an intoxicated state. The commission for waging the battle with drunkenness examined only 15 incidents and fined only 9 persons. It is essential to establish operating procedures that will bring order to leave policy and time-keeping. This is in an unsatisfactory condition at many enterprises, on-site inspections have indicated. At the entrance checkpoint of the Buryatvodstroy Reinforced Concrete Plant at Ulan-Ude, for example, no records are kept of those who arrive on time for work, of leaving work ahead of time, or of absences in the course of the day. Lateness to work is recorded only in spotchecks on certain days. These examples are rather typical.

[Question] In this connection, Anatoliy Prokopyevich, I should like to turn your attention to the following circumstances. In the addresses of representatives of the ministries and of the local soviets, as indeed in your own report, frequent mention was made in passing of movement for a collective guaranty of labor and social discipline, which was approved not long ago by the CPSU Central Committee. At the Severskiy Pipe Plant in Sverdlovsk, during the time that brigades worked in accordance with this principle, losses in work time were cut by a factor of 7, unauthorized absences by a factor of 8, violations of social order were cut in half, and changes in personnel by as much as 30 percent. Meanwhile, only 15 percent of the brigades are participating in this movement, although it was begun 18 years ago. An obstacle in the path of this valuable workers' movement has long been the outdated and petrified paragraphs of labor legislation under the guardianship of the AUCCTU and organs of Goskomtrud. Measures have been outlined in a Central Committee decree for coordinating worker responsibility below with the restructuring of the management mechanism that is coming about above.

Probably, this is the very prism through which we should be examining all constructive activity for putting matters in order, tightening discipline, and increasing orderliness in production. Essentially, the CPSU Central Committee is directing criticism at both Goskomtrud and the AUCCTU. But both you and AUCCTU Secretary for the RSFSR K. Turysov, in addressing the meeting of the Council of Ministers Presidium, passed over in silence the subject of what is being done now to carry out the Central Committee directives for the collective guaranty of labor and social discipline.

[Answer] Critical remarks of a serious nature were directed at us on this subject, and they were entirely justified. The RSFSR Council of Ministers Presidium accepted a proposal by the AUCCTU to pass a joint resolution on the problem discussed. Goskomtrud was instructed to participate in preparing a draft of the resolution. I assume that in it we will be able to take into consideration properly practical experience and the recommendations of the CPSU Central Committee for extending energetically the experience of the Severskiy Pipe Plant and the other enterprises where brigades of workers have taken upon themselves the responsibility for labor and social discipline.

[Question] Letters to the editors often raise the question of the necessity for restructuring the activities of the non-production sector, including urban transport, trade, together with domestic, medical and other public services. The questions are especially sharply worded with reference to the two- and three-shift operations of enterprises. According to data compiled by the Central Statistical Administration, each day during the past year approximately 700,000 persons were drawn away from their basic work activity. These are not only workers in agriculture. Half of them have been going off to conferences, to seminars, to military registration offices, to the People's Court and polyclinics, and so forth. In unearned income alone 1.6 billion rubles were spent on this account. How can we put up with such a situation?

[Answer] Actually, one of the most significant sources of lost work time is absence from work with the permission of the administration. At meetings of enterprise labor collectives in Pskov, Kurgan, Kalinin, and Novosibirsk oblasts and Buryat ASSR there was adverse criticism of deteriorating work policies in the services sphere and the passive posture of soviet and economic organs in administering them. The situation calls to mind the indignation voiced by women workers of the Ulan-Ude Outer Knitwear Factory. "During work time it is necessary to go to the polyclinic and also wait on the TV repairman, and to work and from work there is the hassle of commuting."

At our instigation the ispolkoms of local soviets examined the claims and proposals of the labor collectives. It would be well for the ministeries to go back and monitor how the measures outlined earlier for the putting in order the work policies of the organizations under their jurisdiction

are working out. In this regard interesting experience has been gained in Vladimir and Ulyanovsk oblasts and in Leningrad, where the transition to a two- and three-shift work schedule has been initiated not only in industry but in the entire area of public domestic services.

As familiarization with the situation on the job shows and as the discussion at the meeting of the RFSFR Council of Ministers Presidium has demonstrated convincingly, the problem of improving the use of workers' time in various branches of the RSFSR economy requires further restructuring together with the concerted action of Goskomtrud and our local agencies. Formalism and a superficial approach to the matter have still not been entirely eliminated. Evidence of this is apparent in the fact that out of 2,400 enterprises which labor agencies tried to assist in the last year in the use of organizational and economic reserves, at almost 500 of them losses of work time were either not reduced or even increased. This means that much work remains to be done by management and Goskomtrud headquarters. We view it as our task to improve coordination with the ministries and, locally, with the soviets and the managerial and trade union bodies. A special effort will be made to tap the full resources of every enterprise and every labor collective.

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28 Aug. 1987